

Sp. 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840.

Removal of Public Deposits.

Library

University of Pittsburgh



Class

Book



UNIVERSITY
OF PITTSBURGH
LIBRARY



Dar. Rm.
HG2529
1834
A6

THIS BOOK PRESENTED BY
Francis Newton Thorpe

S P E E C H

[SUPPRESSED BY THE PREVIOUS QUESTION]

of Mr. JOHN QUINCY ADAMS of Massachusetts,

On the removal of the Public Deposites and its reasons.



INTRODUCTION.

On presenting to the House of Representatives the resolutions of the Legislature of the Commonwealth of Massachusetts, in relation to the state of the currency and the removal of the public moneys from the Bank of the United States, Mr. J. Q. ADAMS, to avoid consuming the time of the House, and thereby obstructing the reception of her memorials and petitions, confined himself to a few general and indispensable remarks, expressly stating, that he hoped, at a suitable time, to be indulged with the opportunity of offering to the House his views upon one of the resolutions, in which the Legislature had declared *their* opinion that the reasons assigned by the Secretary of the Treasury for the transfer of the public funds were insufficient to justify the measure. It was not until after three unsuccessful attempts, on three different days, and after an expostulation with the SPEAKER, as earnest as it was necessary, that Mr. ADAMS was enabled to obtain, in the House of Representatives of the United States, a hearing for the Legislature of Massachusetts; and even then he was indebted for this hearing to the courtesy of a member from South Carolina, who, on the FOURTH DAY of discussion allowed by the SPEAKER, under *his* administration of the rules of the House and of the *lex parliamentaria*, by the judicious admixture of which two authorities the proceedings of the House solve themselves into *the will of the Speaker*, was introduced to the floor, upon certain resolutions of the Legislature of Virginia.

On Friday, the 4th of April, at the instant when Mr. McDUFFIE resumed his seat, Mr. ADAMS addressed the SPEAKER, with the intention of delivering his opinions upon the question before the House, which was precisely that of the resolution of the Legislature of Massachusetts, upon which he had given notice of his desire to be heard. The SPEAKER's eye and ear were in another direction, and he gave the floor to a member from Virginia, who, by agreement concerted *out of the House*, was to move the *Previous Question*. The Previous Question was put and carried; and Mr. ADAMS, deprived thereby of his right to address the House, according to the SPEAKER's understanding of the rules of the House and the *lex parliamentaria*, is, in discharge of his duty to the Legislature of Massachusetts and to his constituents, compelled to resort to the Press to make public the remarks which it was his intention to address to the House.

MR. SPEAKER; Among the resolutions of the Legislature of the Commonwealth of Massachusetts which I had, some time since, the honor of introducing to the House, there is one, declaratory of the opinion of that body, exactly coinciding with the proposition now before the House, namely, that the reasons assigned by the Secretary of the Treasury, in his report to Congress of the 3d of December last, for the withdrawal and the withholding of the public moneys from the Bank of the United States, are not sufficient to justify the measure. The amendment proposed by the gentleman from Georgia [Mr. WILDE] adds only that they are not satisfactory—a conclusion from their insufficiency which this and the other House of Congress are alone competent to draw.

The time of this House is the property of the people; a property precious and costly, which I have no right wantonly or heedlessly to consume. Every hour of the time of this House is at least five hundred dollars of the people's money—every minute of it is equivalent to the daily pay of one of its members. It is therefore, with extreme reluctance that I ever address the House at *any* time, and most especially upon any subject so arduous and so ably discussed as has been that now under the consideration of the House.

Yet there are occasions upon which duties of the highest order command me to speak. Were I to follow exclusively the dictates of my own judgment, perhaps those occasions would be confined to cases in which it might be possible for me to aid the deliberations of the House, by presenting to their consideration views of the subject before them different from those which have been exhibited by other and younger members, with voices of physical ability better armed to contend with the Herculean labor of long continued audible articulation in this Hall. Those cases are extremely rare. There is seldom any thing left to be said upon any topic of public interest which passes through the crucible of debate in this House. But it is sometimes expected by my constituents that I should declare my opinions here, to the end that they may be known to them—a right which I acknowledge as always belonging to them.

In the present instance, I have the additional motive of complying with the request of the Legislature of my native State, who, in transmitting copies of their resolutions to my colleagues and to me, have desired the exercise of whatever influence we may possess to give them effect, for the obtainment of relief to their and our suffering constituents.

I feel myself, therefore, under an obligation of irremissible duty to ask the indulgence of the House for a few remarks upon the question now before them. I cannot promise to shed any new light upon the subject, but if I do but repeat that which has been better said before, I will at least endeavor to avoid any repetition which will not carry its apology in the importance of the principle to which it will appeal.

The reasons, therefore, assigned by the Secretary of the Treasury for ordering and directing *otherwise* than that the public funds should be deposited in the Bank of the United States and its branches, are insufficient and unsatisfactory:—

First, because they do not show that his proceedings in relation to this measure were *lawful*.

Secondly, because they do not prove that they were *just*.

It is within the bounds of supposable possibility, (said Mr ADAMS,) that a measure may be both lawful and just, and yet that the reasons assigned for it should be insufficient. In the present case, it has to my mind been proved that the *measure itself* was neither lawful nor just. It is but too well known that, besides the reasons assigned by the Secretary, there were others, which he has withheld. What they were we have in evidence from other sources; but they are all equally insufficient to show that the measure was either lawful or just.

To this point alone I propose to confine my argument. I shall not question the power or the right of the President of the United States to dismiss a Secretary of the Treasury at his discretion, and, if during the recess of the Senate, to appoint another; and much as I believe that power to have been abused, the remedy for that abuse is not, in my judgment, an alteration either of the constitution or of the law. I shall not upon this issue urge the recharter of the Bank of the United States, nor even the restoration of the deposits. However necessary I may deem those measures to be, the discussion of them is not now in its place, nor shall I comment upon either of the other resolutions proposed by the Committee of Ways and Means, and appended to their report. All these have the appearances (it may perhaps not be in order to say that they *are*) of mere

evasions of the question which the committee should have placed in front of all their other resolutions, but which they have cautiously kept out of sight, and which the proposed amendment of the gentleman from Georgia has restored to its rightful place.

The *removal* by the Secretary of the Treasury of the deposits from the Bank of the United States was unlawful, and his *contracts* with the State banks to receive the deposits were also unlawful. Neither of these measures was authorized by the 16th section of the bank charter.

The language of the law there is, that the deposits of the public moneys shall be *made* in the Bank of the United States and its branches, unless the Secretary of the Treasury shall direct and order *otherwise*. Otherwise than what? otherwise than that the deposits shall be *made* there. When the deposits have once been *made* there, his authority, as conferred by this section of the charter, ceases. He has no authority over it whatever, except according to the provisions of the constitution and the general laws. When the deposite is once made, the provision of the constitution attaches to it, which forbids that any money shall be drawn from the Treasury unless in consequence of appropriations made by law. All the laws which forbid the transfer of monies appropriated for one object, to be applied to another, likewise attach to it, and the Secretary of the Treasury has no lawful authority to draw it from its place of deposite, except for the purpose of making the payment to which it is appropriated.

It is alleged that this section in the charter of the Bank confers upon the Secretary of the Treasury no new power. No new power? It was the power to dispense with the law. How could he possess it before the law was enacted? It was a power to cancel a contract between the nation and the Bank. How could he possess it before the contract was made? And as he could not exercise it *before* the statute was enacted, so neither could he exercise it *after* the enactment of the statute, had it not been conferred by the statute itself; and he was bound to exercise it according to the provisions and under the limitations prescribed by the statute. The limitation of his power was to giving order and direction that the deposits should *cease to be made* in the Bank and its branches, and for this he was required to give as speedily as possible his reasons to Congress. His power was prospective over moneys to be deposited. When once deposited, he could draw them from their places of deposite only in consequence of appropriations made by law, and specifically to be applied.

The position that the provision in the charter, which requires the Secretary of the Treasury to assign immediately his reasons for *ceasing* to make the deposits in the Bank of the United States, confers upon him no new power, carries with it this absurdity: it supposes the statute to require of the Secretary reasons for ceasing to do that over which it leaves him unlimited control when done. According to this version of the law, the Secretary of the Treasury might at all times have ordered all the public funds *deposited* in the Bank of the United States and its branches to be removed where and how he pleased, without assigning to Congress any reasons for his order whatever. The statute requires his reasons only for ceasing to make the deposits in the Bank; if he did possess the power of removing them, the law requires of him no assignment of reasons for the removal,

It is said that the power of removing the public moneys from one place of deposite to another has always been exercised by every Secretary of the Treasury, and in no wise depends upon the 16th section of the Bank charter. Surely no one doubts the power of the Secretary to receive and make remittances. That power is, indeed, incidental to the obligation of *paying out the public moneys according to their respective appropriations*; the power of *making remittances* to the places where the payments must be made. *That* is the power which the Secretary of the Treasury has always exercised, without which the public creditors could not be paid, and for which no law requires that the Secretary of the Treasury should assign to Congress any reasons whatever. But here, sir, is a removal of public monies from one place to another for other purposes. It is a colorable transaction for the purpose of loaning appropriated public monies to brittle favorite banks; and loans have been thus made to banks without charge of any interest, while those very same banks were loaning to another department of the Government monies at an interest of five or six per cent. Sir, no such power ever belonged to the Secretary of the Treasury. It was an arbitrary removal of public moneys from the place where they had been deposited by law, to a place arbitrarily selected by the Secretary without law, and against law.

The report of the Committee of Ways and Means struggles to sustain the lawfulness of the removal of the deposits by the present Secretary of the Treasury on the ground of *precedent*. They have given an interesting history of the public Treasury from its first institution in July, 1775, twelve months before the declaration of independence. On reaching this part of their report, it occurred to me that the committee must have imagined it was part of their duty to put down nullification, by proving that the independence of our beloved country was the *effect* and not the *cause* of our national Union. This institution of a common Treasury, a whole year before that of State sovereignty, has an aspect quite national, and I recommend it to the meditations of my very good and highly respected friends, the *nullifiers*, in this House. Sir, I am scarcely less anxious to convert *them* to the true faith on this point, now that it is mere matter of philosophical speculation, than I was when their doctrine was as terrific as the murder and assassination letters with which we have recently been alarmed. But for my present argument, I will, with your leave, Mr. Speaker, and that of the committee, come down to the chronicles of our own times under the present constitution and laws of the United States.

The Committee of Ways and Means have reported a multitude of drafts and orders, issued by almost all the Secretaries of the Treasury, from Alexander Hamilton to Louis M'Lane, which they consider as precedents to justify the removal of the deposits by Mr Secretary Taney. I undertake to show that NOT ONE of those drafts and orders affords any justification for the act of Mr. Taney, and that the only precedent which has any resemblance to his act, was expressly pronounced illegal by a committee of this House, to which the investigation of that transaction was committed, and whose report was sanctioned by the acceptance of the House itself.

The first of these supposed precedents reported by the committee, is a circular from Alexander Hamilton to the collectors of the customs, dated October 14, 1789. It is an order to them to remit the moneys collected for duties to the Treasurer of the United States, under a cover to the Secretary of the Treasury, in what were called post notes of the Bank of North America, at Philadelphia, or of the Bank of New York. These notes were to be cut in two from top to bottom, and transmitted by two successive mails. This, Mr. Speaker, was a mere remittance of the moneys, received by the collectors for duties, to the Treasury.

By the first collection act passed July 31, 1789, [United States Laws, vol. 2, p. 16] the collectors were, by the fifth section of this act, (1) authorised to receive all moneys paid for duties, and to take all bonds for securing the payment of duties. By the 9th section (2) p. 18, they were required to account in such manner and form as should be directed *by the officer appointed by law to superintend the revenue of the United States*, and to pay over the moneys collected by them for duties *to the order of the officer authorised to direct the same*. And, by the 19th section, (3) p. 23, they were authorised to take *bonds payable in four, six, and twelve months*, for the payment of duties. By the 30th section, (4) p. 27, it was enacted that the duties should be collected in *gold and silver coin only*.

(1) *Collection act of 31st July, 1789.*

SEC. 5. *And be it further enacted*, That the duties of the respective officers, to be appointed by virtue of this act, shall be as follows : It shall be the duty of the collector—, *to receive all moneys paid for duties ; and to take all bonds for securing the payment of duties*.

(2) SEC. 9. *And be it further enacted*, That the collectors to be appointed, by virtue of this act, shall respectively keep true and fair accounts of all their transactions relative to their duty as officers of the customs, in such manner and form *as may be directed by the proper department or officer appointed by law to superintend the revenue of the United States* ; and shall at all times, submit their books, papers, and accounts, to the inspection of such persons as may be appointed for that purpose : And the collectors of the different ports shall, at all times, pay to the order of the officer who shall be authorised to direct the same, the whole of the moneys which they may respectively receive by virtue of this act.

(3) SEC. 19. *And be it further enacted*, That all duties on goods, wares, and merchandise, imported, shall be paid by the importers before a permit shall be granted for landing the same, *unless the amount of such duties shall exceed fifty dollars, in which case it shall be at the option of the party making entry to secure the same by bond, with one or more sufficient sureties to be approved of by the collector, and made payable as followeth, to wit : For the duties upon all articles of West India produce, within four months ; for the duties upon all Madeira wines, within twelve months ; and for the duties upon all other goods, within six months*.

(4) SEC. 30. *And be it further enacted*, That the duties and fees, to be collected by virtue of this act, shall be received in gold and silver coin only.

The act to establish the Treasury Department was approved on the 2d of September 1789; and, on the 11th of that month, Alexander Hamilton was nominated and appointed as Secretary of the Treasury, and Samuel Meredith as Treasurer of the United States. The powers and duties of those officers respectively were prescribed by that act p. 48. (5)

The circular from the Treasury Department of October 14, 1789, is pregnant with instruction to prove the indispensable necessity of a bank for the collection and disbursement of the revenue. The law was express, that the duties should be paid in gold and silver coin *only*. The shortest term for payment of the *bonds* taken was four months. The collection act commenced operation early in August: the first bonds became payable the first or second week in December. The very first payments of duties in specie brought up the serious and embarrassing question, how the *remittances* to the Treasury should be made. As early as the 22d September the Secretary, eleven days only after his appointment, had *directed* the collectors to receive payment of the duties in the notes of the Bank of North America and of New York. That letter the Committee of Ways and Means have not thought proper to report; but, in this letter of the 14th of October, which they have reported, he directs them to exchange whatever specie they had received, or might receive, for notes of the same banks, reserving only sums to a small amount to answer the drafts which the Treasurer might draw upon them. And, in his letter of the 20th of November following, (the second document reported by the Committee of Ways and Means,) he directs the collectors of Massachusetts to receive in payment of the duties the notes of the bank of Boston, as well as those of the other two banks before named. By the bank of Boston he meant the Massachusetts bank, the only one then existing at that place; and those three banks were the only ones then existing in the United States.

In the same letter, of the 20th of November, 1789, Mr. Hamilton gives the *reason* for his direction to the collectors. It was to avail the public of the revenues arising in the State, *without drawing the specie out of it*, by facilitating the negotiation of drafts. This passage of the letter discloses the overruling necessity of a bank agency for the remittance of moneys between the places of collection and of payment throughout this extensive territory. It is not the inconvenience, and trouble, and hazard, of making remittances in the precious metals that constitutes its principal difficulty; it is because extracting specie, from any city where a bank exists, diminishes the circulating capital of the place to many times the amount extracted. It is well ascertained at this time that, speaking in round numbers, for about twenty-five millions of gold and silver existing in the United States, in the vaults of all their banks, there are nearly two hundred millions of bank notes and bills. Seven, eight, and nine dollars of paper, for one dollar of specie, are the proportions exhibited by all the statements of the affairs of banks which have recently been published. I do not believe it possible that this distention of the banking bladder can long continue—it must be relaxed, or it will burst. At the time when Alexander Hamilton wrote this letter, banking was but in its infancy. There was but one bank in Boston, one in New York, one in Philadelphia. A circulation of notes and bills

(5) *From the act to establish the Treasury Department, 2d September, 1789.*

SEC. 1. *Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled,* That there shall be a Department of Treasury, in which shall be the following officers, namely: a Secretary of the Treasury, to be deemed head of the Department; a Comptroller, an Auditor, a Treasurer, a Register.

SEC. 2. *And be it further enacted,* That it shall be the duty of the Secretary of the Treasury, to digest and prepare plans for the improvement and management of the revenue and for the support of public credit; to prepare and report estimates of the public revenue, and the public expenditures; to superintend the collection of the revenue; to decide on the forms of keeping and stating accounts, and making returns, and to grant, under the limitations herein established, or to be hereafter provided, all warrants for moneys to be issued from the Treasury in pursuance of appropriations by law. (See above, the 9th section of the collection law.)

SEC. 4. *And be it further enacted,* That it shall be the duty of the Treasurer to receive and keep the moneys of the United States, and to disburse the same upon warrants drawn by the Secretary of the Treasury, countersigned by the Comptroller, recorded; by the Register, and *not otherwise*; he shall take receipts for all moneys paid by him, and all receipts, for moneys received by him, shall be endorsed upon warrants signed by the Secretary of the Treasury, without which warrant so signed, no acknowledgement, for money received into the public treasury, shall be valid.

to three times the amount of the specie represented by it, would have been considered at that time fool-hardy gambling. We are now told even by Mr. Gallatin, that experience has proved that the enormous issues of the present day may be safely made *in ordinary times*—that is, when they are not brought to the test—

The spider's most attenuated thread
Is cord, is cable, to that tender tie.

But this letter of Alexander Hamilton discloses the unyielding necessity of a bank for the remittance of public moneys to and from the Treasury. The collectors could receive payment of the duties only in gold and silver; but the merchant who paid the duties borrowed of the bank specie to pay them. Then the collector took, instead of the gold and silver, the post notes or bills of the bank, and transmitted *them* to the Treasurer of the United States at New York, under cover to the Secretary of the Treasury. This was, for the purposes of the Treasury, precisely equivalent to gold and silver, and the revenues arising in the State of Massachusetts were made available to the public *without drawing the specie out of it*.

The Bank of North America had been chartered by the old Congress of the Confederation, and afterwards by the Legislature of the State of Pennsylvania. It had been extorted from the *necessities* of the public service, in the midst of the Revolutionary war, immediately after the universal bankruptcy of paper money. The instant that became so discredited, that no one would receive it in payment for any thing, and at any discount; the instant there was a return to hard money payments, the want, the overruling want, was felt of a bank. Journals of Congress, vol 3, pages 470, 624, 706. (6) It was

(6) The following extracts from the journals of the Congress of the confederation, exhibit that necessity in the strongest light :

Journal of Wednesday June 21, 1780.

A letter of this day, *from the board of war*, was read, informing that a number of patriotic persons have formed a plan for the establishment of a bank, whose object is the public service; that the directors have applied to that board to represent to Congress the desire of the company that a committee of this body may be appointed to confer with the inspectors and directors on the subject to-morrow morning. Whereupon,

Ordered, That a committee of three be appointed for the purpose above mentioned : The members chosen, Mr. Ellsworth, Mr. Duane, and Mr. Scott.

Thursday, June 22d, 1780.

The committee appointed to confer with the inspectors and directors of the proposed bank, brought in a report, which was read.

The committee also laid before Congress, the plan of the bank, communicated to them at the said conference, which being read, Congress thereupon, came to the following resolutions :

Whereas, a number of the patriotic citizens of Pennsylvania, have communicated to Congress a liberal offer on their own credit, and by their own exertions, to supply and transport three millions of rations, and three hundred kogsheads of rum, for the use of the army, and have established a bank for the sole purpose of obtaining and transporting the said supplies, with greater facility and despatch : And, whereas, on the one hand, the associators animated to this laudable exertion by a desire to relieve the public necessities, mean not to derive from it the least pecuniary advantage ; so, on the other, it is just and reasonable, that they should be fully reimbursed and indemnified : Therefore,

Resolved unanimously, That Congress entertain a high sense of the liberal offer of the said associators, to raise and transport the before mentioned supplies for the army, and do accept the same as a distinguished proof of their patriotism.

Resolved, That the faith of the United States be, and the same hereby is pledged, to the subscribers to the said bank, for their effectual reimbursement, and indemnity in the premises.

Resolved, That the board of treasury be directed to deposite in the said bank, bills of exchange in favor of the directors thereof, on the ministers of these United States, in Europe, or any of them, and in such sums as shall be thought convenient, but not to exceed in the whole £150,000 sterling : that the said bills are to be considered not only as a support of the credit of the said bank, but as an indemnity to the subscribers for all deficiencies of losses and expenses which they may sustain, on account of their said engagements, and which, within six months from the date thereof, be made good to them out of the public treasury ; and, in case of failure, such a proportion of the said bills as shall be requisite to make good the said deficiency, shall be negotiated for that purpose, by the said directors, and the residue thereof returned into the treasury.

Resolved, That upon representation made, that the bank stands in need of occasional assistance, Congress will advance as much of their current money as can be spared from other services.

incorporated by an ordinance of Congress of December 31, 1781; and, in 1789, no sooner was the Government of the United States organized under the present constitution—no sooner did they begin to raise a revenue, than the indispensable necessity was felt of a bank. The revenue was collected in gold and silver coin only, but it was remitted to the Treasury in bank bills from the necessity of the case. The necessary consequence must have been the opening of an account, by the Treasury Department, with each of those banks, which thereby became depositories of public moneys. But the only object of the Secretary of the Treasury was to effect the *remittance* of the revenues from the places of collection to the Treasury. What analogy has this to the act of Mr. Secretary Taney in transferring moneys already in the Treasury to other places, and to be used for other purposes than those to which they have been appropriated by law? What vested right was impaired? What pecuniary profit was taken from one set of men and transferred to another? taken from a corporation one-fifth part of whose profits belong to the people, our constituents, and given to a corporation, a part of whose profits accrue to the Secretary himself? Neither the Committee of Ways and Means nor Mr. Taney must go to Alexander Hamilton for a precedent to justify that.

The document (marked C,) reported by the committee, is a circular to the collectors in the State of Georgia, excepting Savannah, dated April 6, 1790, and directing them to *remitt* the duties collected by them to the collector of the port, John Habersham. There was no bank existing in the United States, south of Philadelphia. Mr. Habersham was made the depository of all the duties collected in the State of Georgia, but he was not authorized to convert them to his own use. Neither will that precedent serve as a screen for the present act.

The use of the three existing banks, however, was soon found altogether inadequate to the purposes of collecting and disbursing the public revenues. [Resolution August 9, 1790.] (7)

Resolved, That a standing committee of Congress be appointed to confer with the officers of the said bank as occasion may require: the members chosen, Mr. Ellsworth, Mr. Duane, and Mr. Scott. The next notice of a bank, is of

Saturday, May 26, 1781.

Resolved, That Congress do approve of the plan for establishing a National Bank in these United States, submitted to their consideration by Mr. R. Morris, the 17th of May, 1781, and that they will promote and support the same, by such ways and means, from time to time, as may appear necessary for the institution, and consistent with the public good.

That the subscribers to the said Bank shall be incorporated agreeably to the principles and terms of the plan, under the name of the "President, Directors, and Company of the Bank of North America," so soon as the subscription shall be filled, the Directors and President chosen, and application for that purpose made to Congress, by the President and Directors elected.

Resolved, That it be recommended to the several States, by proper laws, for that purpose, to provide that no other bank or bankers shall be established, or permitted within the said States respectively, during the war.

Resolved, That the notes hereafter to be issued by the said bank, payable on demand, shall be receivable in payment of all taxes, duties, and debts due, or that may become due or payable to the United States.

Resolved, That Congress will recommend to the several Legislatures to pass laws, making it felony, without benefit of clergy, for any person to counterfeit bank notes or to pass such notes, knowing them to be counterfeit, also making it felony without benefit of clergy, for any President, Inspector, Director, officer, or servant of the Bank, to convert any of the property, money, or credit of the said Bank, to his own use, or in any other way to be guilty of fraud or embezzlement, as an officer or servant of the bank.

Saturday, December 29, 1781.

An ordinance for incorporating the subscribers to the National Bank, was read a first time.

Ordered, That Monday next be assigned for a second reading.

Monday, December 31, 1781.

The ordinance was read a second and a third time, and agreed to.

(7) On the 29th of August, 1790, immediately before the close of the second session of the first Congress, and when the collection law had been about one year in operation, the following order was adopted by the House of Representatives.

Ordered, That the Secretary of the Treasury be directed to prepare and report to this House, on the second Monday of December next, such further provisions as may in his opinion be necessary for establishing the public credit.

In December, 1790, Mr. Hamilton, in answer to this resolution, reported to the House of Representatives a plan of a National Bank; and the act to incorporate the subscribers to the Bank of the United States was approved by President Washington on the 25th of February, 1791.

The United States were owners of one-fifth part of the stock of this Bank; and from the time of its institution, neither Mr. Hamilton nor any one of his successors ever dreamt of making deposits of the public moneys in any other bank than that where the profits of the use of the people's money would be shared by the people. The capital of this bank was ten millions of dollars; and its notes by the 10th section of the charter were made receivable in all payments to the United States as equivalent to gold and silver. By this provision, that of the 30th section of the first collection law, that all the duties should be paid in gold and silver coin only, was virtually repealed. It had in fact never been executed: the bills of the three existing banks had, by the arrangements of the Treasury, taken its place; and as they were all at all times convertible into gold and silver, they were "so like truth, they served the turn as well."

By the 3d section of an act of Congress of May 10, 1800, vol. 3, p. 385, the collectors of Philadelphia, New York, Boston, Baltimore, Norfolk, and Charleston, were directed to deposite, for collection, in the Bank of the United States or its branches, all the bonds taken for duties. The committee have also reported a document (marked D,) being a letter from Albert Gallatin, Secretary of the Treasury, to Robert Purviance, collector of Baltimore, dated November 16, 1801, announcing the appointment of Thomas Tador Tucker as Treasurer of the United States, in the place of Samuel Meredith resigned. It requests that his deposits in bank may, after the 30th of November, 1801, be passed to the credit of Mr. Tucker. This was a transfer from one Treasurer to another, but not from the Bank of the United States to another. It is not germane to the purpose. So long as the first Bank of the United States existed, there never was a thought of transferring any of the public deposits from it to any other. But, when its charter expired, a resort to other places of deposite became of course indispensably necessary.

The document reported by the committee (marked E, p. 42,) is accordingly a letter from Albert Gallatin to the collector of Philadelphia, dated the 25th of February, 1811, a very few days before the expiration of the Bank charter, directing him thenceforward to cease making further deposits in the Bank of the United States, and to withdraw bonds already deposited payable after the then ensuing 3d of March, and leaving to him the selection of the Banks in which the custom-house bonds should thereafterwards be deposited.

Mr. Gallatin himself had foreseen and foretold the evil consequences which would ensue from the expiration of the charter of the Bank, and had earnestly recommended to Congress its renewal. The terms upon which he prescribes in this letter that the deposits should be transferred to the new depositories, afford practical expositions of such inconveniences. He makes it a condition that the selected banks, in making their discounts, shall give a preference to persons having custom-house bonds to pay; and he prefers that two banks should be employed in the same place rather than one.

Mr. Speaker, I know not who it is that made the arrangement of the documents appended to the report of the Committee of Ways and Means; but it is a striking exemplification of the condition into which the currency, the credit, the revenue, and the finances of this country fell, after the expiration of the first Bank of the United States. It is Chaos come again. We have just been descanting upon document E, page 42. I must request those members of the House whose patience can follow me into this Arabia Deserta, this parched wilderness of discussion, to make a lover's leap over the letters of the alphabet from E to P, and from page 42 to page 48 of the report—and there, under the letter P, they will find, first, a letter from Louis McLane, Secretary of the Treasury, dated 29th October, 1832; short and sweet; but having no more right to be there than the nettle had to grow on the monk's grave at Calais, visited by the sentimental traveller, Yorick. For immediately after it, comes a letter from Albert Gallatin, Secretary of the Treasury, to the Speaker of the House of Representatives, dated the 8th of January, 1812, reporting, in answer to a resolution of the House, a statement of the several banks in which the public moneys had been deposited after the expiration of the charter of the Bank of the United States. To this report sundry other documents are annexed, and among the rest, a duplicate of this very letter of 25th of February, 1811, upon which I have been commenting under the letter E. However, this is a small matter.

Let us see if we can draw order out of this Chaos. The report of Mr. Gallatin, made within less than a year after the expiration of the charter, and the documents annexed to it down to near the bottom of page 56 of the appendix to this report of our Committee of Ways and Means, show with a pencil of phosphorus the expedients to which the Treasury Department had already been driven, for the mere safe-keeping and transmission of the public moneys, from the moment when the Bank of the United States had ceased to exist. The public moneys had been deposited in twenty-one State and District banks, and do you wish to know what has become of some portion of these moneys even then thus deposited? Go to the vaults of your Treasury for the iron chest of your *unavailable funds*—and there you will find them.

Mr. Gallatin had foreseen these consequences. He had urged upon Congress the re-charter of the Bank of the United States, but Congress had determined it should die, and die it did. His report, eleven months after, in January, 1812, presented the case as favorably as he could. But even then some of the banks had rejected the indispensable conditions which he had prescribed for placing the deposits with them. Those conditions were not always acceptable, nor always admissible by the banks. The revenue was not so well collected as before, and the Treasury had already been obliged to extend, from four to six months, the credits upon which the banks of Marietta and Kentucky had agreed to make payments in one of the Atlantic cities.

These were but the beginning of sorrows. The consequences of the extinction of the first Bank of the United States have recently (about three years since) been set forth by that same eminent financier, Albert Gallatin, now no longer Secretary of the Treasury, but President of a State bank in the city of New York. Among the fictitious charges which a heartless political slander has heaped upon the Bank of the United States, has been that of hostility to the State banks of New York. This charge, to which the Governor himself of the State has not refrained from giving his countenance, is totally disproved and annihilated by the far more enlightened and self-authenticating testimony of Mr. Gallatin. Had such hostility existed, and been exercised, as that denounced by the Governor of New York, *upon mere suspicion*, it is impossible but that it should have been known and felt by Mr. Gallatin. The institution over which he presides must have been among the first to feel and suffer from its effects. It would have been at once his duty and his interest to denounce it. Sir, he declares directly the reverse. He testifies to the fair and liberal treatment of the State banks by the Bank of the United States. He speaks of what he knows. The Governor of New York—I forbear.

In January, 1831, while the death blow to borrowed capital was yet rankling in the bosom, whence it has since been dealt, under the disguise of constitutional scruples against the power of Congress to incorporate a Bank, and had not yet matured into a veto message, Mr. Gallatin published an essay on the currency and banking system of the United States—a small but valuable treatise on this most important branch of political economy. It has been trumpeted abroad as one of the grievous transgressions of *the Bank*, that some thousand copies of this pamphlet have been gratuitously circulated at its expense. Sir, if it had been *honestly* read, in the pure pursuit of truth, by the Statesmen, whether of the parlor or of the kitchen, who rule this nation, many an awful foreboding of ruin—many a bitter cry of distress—many a deep and agonizing execration of wretchedness would have been spared, to our constituents, and to our own ears. No men with a mere human portion of malignity, or with *any* portion short of that of a *fiend*, could have read that pamphlet, and then rushed headlong upon the *experiment* under which our country now writhes in torture.

Read pp. 42, 44, 46, 47, 48, 50, '84. (8.)

(8) *Considerations on the Currency, by Albert Gallatin, page 42.*

The capital of the State banks existing in the year 1790, amounted to about 2,000,000 of dollars. The former Bank of the United States was chartered in 1791, with a capital of \$10,000,000. The charter was not renewed; but in January, 1811, immediately before its expiration, there were in the United States eighty-eight State banks, with a capital of 42,610,000 dollars, making then, together with that of the National Bank, a banking capital of near 53,000,000. In June, 1812, war was declared against England; and in August and September, 1814, all the banks south and west of New England suspended their specie payments.

Considerations on the Currency, page 44.

The creation of new State banks, in order to fill the chasm, was a natural consequence of the dissolution of the Bank of the United States; and, as is usual under such circumstances, the expectation

Mr. Speaker, we have found nothing in the documents bearing the signature of Albert Gallatin, reported in the appendix to the report of the Committee of Ways and Means,

of great profits gave birth to a much greater number than was wanted. They were extended through the interior parts of the country, created no new capital, and withdrew that which might have been otherwise lent to Government, or as profitably employed. From the 1st of January, 1811, to the 1st of January, 1815, not less than one hundred and twenty new banks were chartered, and went into operation, with a capital of about forty, and making an addition of near thirty millions of dollars to the banking capital of the country.

Considerations on Banking and Currency, page 45.

The increase of issues from forty-five and a half to sixty-eight millions, or of about fifty per cent., within the first fifteen months of the suspension of specie payments, was the natural consequence of that event.

Considerations on Banking and Currency, page 46.

We have stated all the immediate and remote causes within our knowledge, which occurred in producing that event; and, although the effects of a longer continuance of the war cannot be conjectured, it is our deliberate opinion that the suspension might have been prevented at the time when it took place, had the former Bank of the United States been still in existence. The exaggerated increase of State banks, occasioned by the dissolution of that institution, would not have occurred. That Bank would, as before, have restrained within proper bounds, and checked their issues; and, through the means of its offices, it would have been in possession of the earliest symptoms of the approaching danger. It would have put the Treasury Department on its guard; both acting in concert, would certainly have been able at least to retard the event. And as the treaty of peace was ratified within less than six months after the suspension took place, that catastrophe would have been altogether avoided.

We have already adverted to the unequivocal symptoms of renewed confidence shown by the rising value of bank notes which followed the peace. This would have greatly facilitated an immediate resumption of specie payments, always more easy, and attended with far less evils, when the suspension has been of short duration. The banks did not respond to that appeal made by public opinion; nor is there any evidence of any preparations, or disposition on their part, to pay their notes in specie, until after the act to incorporate the new bank of the United States had passed. We are inclined to ascribe this principally to the great difficulty of bringing the various banks in our several commercial cities to that concert which was indispensable. But it cannot be concealed, that, in such a situation, the immediate and apparent interest of the banks is in opposition to that of the public. It is well known that the Bank of England, though apparently disposed at first to resume its specie payments, found a continued suspension extremely convenient and profitable; that during that period of twenty years its extraordinary profits, besides raising the usual dividend from seven to ten per cent., amounted to thirteen millions of pounds sterling, and that it accordingly threw obstacles in the way of the resumption. The State banks of the United States were only inactive in that respect, and did not impede that desirable event; but they used the advantages incident to the situation in which they were placed, and to what extent their issues were generally increased has already been shown.

Consideration on Banking and Currency, page 47.

It will be found, by reference to the report of the Secretary of the Treasury, of December, 1815, that his recommendation to establish a national bank was, in express terms, called "a proposition relating to the national circulating medium," and was exclusively founded on the necessity of restoring specie payments and the national currency. He states it as a fact incontestibly proved, that the State banks could not, at that time, be successfully employed to furnish an uniform national currency. He mentions the failure of one attempt to associate them with that view; that another attempt, by their agency in circulating Treasury notes, to overcome the inequalities of the exchange, has only been partially successful; that a plan recently proposed, with the design to curtail the issues of bank notes, to fix the public confidence in the administration of the affairs of the banks, and to give to each bank a legitimate share in the circulation, is not likely to receive the general sanction of the banks; and that a recurrence to the national authority is indispensable for the restoration of a national currency. Such was the contemporaneous and deliberate opinion of the officer of the Government, who had to struggle against the difficulties of a paper currency, not only depreciated, but varying in value from day to day, and from place to place.

It was not till after the organization of the Bank of the United States, in the latter part of January, 1817, that delegates from the banks of New York, Philadelphia, Baltimore, and Virginia, assembled in Philadelphia, for the purpose of agreeing to a general and simultaneous resumption of specie payments. A compact, proposed by the Bank of the United States, acceded to by the State banks, and ratified by the Secretary of the Treasury, was the result of that convention. The State banks engaged to commence and continue specie payments, on various conditions relative to the transfer and

to warrant the removal of the deposits by Mr. Taney. Let us now go back to page 43, letter F, where will be found a letter dated December 14, 1815, signed A. J. Dallas, Secretary of the Treasury, to the Treasurer. It is a mere order to him to make a remittance to the cashier of the Manhattan Company at New York of three hundred thousand dollars. The precautions both of concealment and of disguise recommended in this letter, add to the mass of evidence heaped upon heap on all the rest to prove the want of a National Bank. In making this remittance, Mr. Dallas dreads the chances of loss by the robbery of the mail. He recommends to the Treasurer to address the notes to the Cashier of the bank under cover to the Collector, to have them franked by the Register of the Treasury, to give them the appearance of ordinary marine papers, and to take care to avoid publicity. But here again is a mere remittance of money; no right of any one impaired; no wrong done to any one; no resemblance whatever to the transfer draft of Mr. Secretary Taney to the same Manhattan Company, to sustain their credit—that is to say, to pay *their debts*.

We now come, Mr. Speaker, to the transactions of Mr. Crawford with the deposit banks of his time; and to understand the bearing of the documents under his signature

payment of the public balances on their books to the Bank of the United States, and to the sum which it engaged previously to discount for individuals, or under certain contingencies, for the said banks; and also with the express stipulation, that the Bank of the United States, upon any emergency which might menace the credit of any of the said banks, would contribute its resources to any reasonable extent in support thereof, confiding in the justice and discretion of the banks respectively, to circumscribe their affairs within the just limits indicated by their respective capitals, as soon as the interest and convenience of the community would admit. To that compact, which was carried into complete effect, and to the importation of more than seven millions of dollars in specie from abroad, by the Bank of the United States, the community is indebted for the universal restoration of specie payments, and for their having been sustained, during the period of great difficulty, and of unexampled exportation of specie to China, which immediately ensued.

Among the difficulties which the Bank had to encounter, must be reckoned the effort made to alleviate the distress which always attends the return from a depreciated to a sound currency.

Considerations on Banks and Currency, page 50.

The distress that took place, therefore, at that time, (1819,) may be clearly traced to the excessive number of State banks incorporated subsequently to the dissolution of the first Bank of the United States, and to their improvident issues. Those of the country banks of Pennsylvania alone amounted in November, 1816, to 4, 756,460 dollars, and had been reduced in November, 1819, to 1,318,976 dollars. A committee of the Senate of that State, appointed in December, 1819, to inquire into the extent and causes of the present general distress, ascribe it, as we do, to the improvident creation of so many banks, as will appear from the following extract from their report:

“At the following session, the subject was renewed with increased ardor, and a bill, authorizing the incorporation of forty-one banking institutions, with capitals amounting to upwards of seventeen millions of dollars, was passed by a large majority. This bill was also returned by the Governor with additional objections; but two-thirds of both Houses (many members of which were pledged to their constituents to that effect,) agreeing on its passage, it became a law on the 21st March, 1814; and thus was inflicted on the Commonwealth an evil of a more disastrous nature than has ever been experienced by its citizens. Under this law thirty-seven banks, four of which were established in Philadelphia, actually went into operation.”

EXTRACT No. 2.

Considerations on Banking and Currency, page 50.

We have an account of 165 banks that failed between the 1st of January 1811, and the 1st of July 1830. The capital of 129 of these amounted to more than twenty-four millions of dollars, stated to have been paid in. The whole amount may be estimated at near thirty millions, and our list may not be complete. The capital of the State banks, now existing, amounts to about 110 millions. On a total capital of one hundred and forty millions, failures have amounted to thirty, or to more than one-fifth of the whole.

Considerations on Banks and Currency, page 84.

The manner in which the Bank checks the issues of the State banks, is equally simple and obvious. It consists in receiving the notes of all those which are solvent, and requiring payment from time to time, without suffering the balance due by any to become too large. Those notes on hand, taking the average of the three and a half last years, amount always to about a million and a half of dollars; and the balances due by the banks in account current, (deducting balances due to some,) to about nine hundred thousand. We think that we may say, that, on this operation, which requires particular attention and vigilance, and must be carried on with great firmness and due forbearance, depends almost exclusively, the stability of the currency of the country.

reported by the Committee, it will be necessary to take a view of the circumstances under which they were written.

Turn the page to letter G. from W. H. Crawford, dated 26th December, 1819, to the Treasurer, directing him to deposite in the United States Branch Bank in this city, a draft in favor of its cashier for 16,000 dollars, upon the Bank of Washington. Whether the Committee consider this as a *precedent* for removing depositories from the Branch Bank, I know not. It has to me the aspect of a *restoration* of depositories, and as such is a precedent very fit to be followed.

Then succeed five letters signed Richard Rush, lettered from H to M, and dated from 16th August 1825, to 23d December, 1828, all relating to depositories in banks where there was no Branch of the United States Bank, and where, of course, his power to make depositories was discretionary. There are subsequently two letters (marked N and O) from Samuel D. Ingham, dated in 1830, of the same character; and then, lastly, follows the afore-mentioned letter P, from Louis M'Lane to the Treasurer, ordering a transfer from one district bank in Alexandria, to another.

Well, Sir, this volume of documents, from A to P, proves beyond all contestation what I believe never was contested, namely, the power of the Secretary of the Treasury to cause *remittances* of the public moneys to be made from the places where they have been collected, to the Treasury, and from the Treasury to the places where they are to be paid away, according to appropriations made by law. They prove nothing more; above all, they furnish not a scintillation of proof of the right of the Secretary of the Treasury to convert the public moneys to his own use. This is what Mr. Taney has done by transferring them from places of deposite where the use of them was of pecuniary profit to the people; to others, in one of which, at least, it was of pecuniary profit to himself. Nothing like it is traceable in any one of the documents reported by the Committee of Ways and Means.

The committee have reported, however, another set of documents; being a selection of reports and letters relating to the transactions of Mr. Crawford with the banks while he was Secretary of the Treasury. In these papers, much controverted matter is reproduced of times gone by, and collisions, I trust, never to return. But to estimate the bearing of any thing contained in these upon questions now before us, we must advert to the circumstances under which those transactions occurred, and to the special powers vested in the Secretary of the Treasury, while Mr. Crawford was in that office, but never transferred to his successor.

We have seen the consequences to the credit and revenue which immediately followed the extinction of the Bank of the United States. The multiplication of State banks. The cataracts of bank paper. The suspension of specie payments. The dislocation of every joint of credit, public and private. In January, 1814, less than three years after the expiration of the Bank charter, the necessity of a National Bank had already forced itself upon the judgment of majorities in both Houses of Congress, and on the 14th of October, 1814, Alexander James Dallas, then just appointed Secretary of the Treasury, wrote thus, in answer to inquiries from the Committee of Ways and Means of the House of Representatives. [Bank documents, p. 481.] (9.)

After long and reiterated debates, a bill to establish a new Bank of the United States passed both Houses of Congress, which, on the 30th of January, 1815, was negatived by President Madison. But at the next ensuing session of Congress, the increasing gravitation of political necessity broke down all opposition. This was then the language of the Secretary of the Treasury, in his annual report on the finances. [Bank documents,

(9) *Extract of the reply of the Secretary of the Treasury to the Chairman of the Committee of Ways and Means, dated 14th October, 1814.*

The establishment of a National Institution, operating upon credit, combined with capital, and regulated by prudence and good faith, is, after all, the only efficient remedy for the disordered condition of our circulating medium. While accomplishing that object, too, there will be found, under the auspices of such an institution, a safe depository for the public treasure, and a constant auxiliary to the public credit. But, whether the issues of a paper currency proceed from the National Treasury, or from a National Bank, the acceptance of the paper in a course of payments and receipts, must be forever optional with the citizens. The extremity of that day cannot be anticipated, when any honest and enlightened statesman will again venture upon the desperate expedient of a tender law.

It is proposed that a National Bank shall be incorporated for a term of twenty years, to be established at Philadelphia, with a power to erect offices of discount and deposite elsewhere. [Legislative and Documentary History of the U. S. Bank, page 481.]

p. 612.] (10) A bill for a National Bank was again introduced, received the sanction of both Houses, and on the 10th of April, 1816, the approving sign manual of James Madison. That bill is the charter of the present Bank of the United States.

At the time of the enactment of this law, all the revenues of the Union south of New England consisted of Treasury notes, and deposits in banks whose payments in specie were suspended. To compel the resumption of specie payments was one of the primary objects for which the Bank was instituted; and immediately afterwards, on the 30th of April, 1816, the following joint resolution was adopted and approved by the President. [U. S. laws, vol. 6, p. 163.] (11.)

Armed with the extraordinary power conferred by this resolution, Mr. Dallas, before it was possible to accomplish any part of its purposes, retired from office. Mr. Crawford was his successor, and entered upon the discharge of the duties of Secretary of the Treasury, on the 22d of October, 1816. The circular of the 28th of January, 1817, (appendix to the report of the Committee of Ways and Means, p. 56,) is a notification to all the deposite banks in the States of Pennsylvania, Delaware, and Maryland, that the Treasurer had been instructed to *transfer* the public moneys deposited with them to the Bank of the United States, which, with the new year, had first commenced operations.

It appears by Mr. Crawford's letter of 10th December, 1817, to the Speaker of the

(10) *Extract from the report of the Secretary of the Treasury, on the state of the finances—December 6, 1815.*

Of the services rendered to the Government by some of the State banks, during the late war, and of the liberality by which some of them are actuated in their intercourse with the treasury, justice requires an explicit acknowledgment. It is a fact, however, incontestably proved, that those institutions cannot, at this time be successfully employed to furnish a uniform national currency. The failure of one attempt to associate them with that view, has already been stated. Another attempt, by their agency in circulating treasury notes to overcome the inequalities of the exchange, has only been partially successful. And a plan recently proposed, with the design to curtail the issues of bank notes, to fix the public confidence in the administration of the affairs of the banks, and to give to each bank a legitimate share in the circulation, is not likely to receive the general sanction of the banks. The truth is, that the charter restrictions of some of the banks, the mutual relation and dependence of the banks of the same State, and even of the banks of the different States, and the duty which the directors of each bank conceive they own to their immediate constituents, upon points of security or emolument, interpose an insuperable obstacle to any voluntary arrangement, upon national considerations alone, for the establishment of a national medium, through the agency of the State Banks. It is, nevertheless, with the State banks that the measures for restoring the national currency of gold and silver must originate; for, until their issues of paper be reduced, their specie capitals be reinstated, and their specie operations be commenced, there will be neither room, nor employment, nor safety, for the introduction of the precious metals. The policy and the interest of the State bank, must, therefore, be engaged in the great fiscal work, by all the means which the treasury can employ, or the legislative wisdom shall provide.

The establishment of a national bank is regarded as the best, and perhaps the only adequate resource, to relieve the country and the Government from the present embarrassments; authorized to issue notes, which will be received in all payments to the United States, the circulation of its issues will be coextensive with the Union; and there will exist a constant demand, bearing a just proportion to the annual amount of the duties and taxes to be collected, independent of the general circulation for commercial and social purposes. A national bank will therefore possess means and the opportunity of supplying a circulating medium, of equal use and value in every State, and in every district of every State. [*Legislative and Documentary History of the Bank of the United States, page 612.*]

(11) *A resolution relative to the more effectual collection of the public revenue.*

Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled, That the Secretary of the Treasury be, and he hereby is required and directed to adopt such measures as he may deem necessary, to cause as soon as may be, all duties, taxes, debts, or sums of money, accruing or becoming payable to the United States, to be collected and paid in the legal currency of the United States, or Treasury notes, or notes of the Bank of the United States, as by law provided and declared, or in notes of banks which are payable and paid on demand, in the said legal currency of the United States; and that, from and after the 20th day of February next, no such duties, taxes, debts, or sums of money, accruing or becoming payable to the United States, as aforesaid, ought to be collected or received otherwise than in the legal currency of the United States or Treasury notes or notes of the Bank of the United States, or in notes of banks which are payable and paid on demand, in the said legal currency of the United States. (Approved, 30th April, 1816.)

House of Representatives, (p. 63,) assigning his reasons for *not* transferring the deposits from some of the State and district banks to the Bank of the United States; that he entertained doubts whether the provisions of the 16th section of the bank charter did impose the obligation of transferring to the Bank of the United States the deposits *previously made* in the local banks. He did, nevertheless communicate his reasons for ordering and directing *otherwise* than that the deposits should be made in the Bank of the United States, whether they had been previously deposited in the local banks or not. A single moment of reflection will show that the transfer of deposits from local banks, not paying specie, to the Bank of the United States, which could pay in nothing but specie, must have been made under this resolution of Congress of 30th April, 1816, and upon principles altogether inapplicable to the present case. The object of the Secretary of the Treasury was, by one and the same operation, to compel the local banks to resume specie payments, and to withdraw from them the public deposits to place them in the Bank of the United States. That bank could receive them only as equivalent to specie, for so only was it bound by its charter to pay them out. It was impossible, then, effectively to withdraw them, but by a simultaneous resumption of specie payments by the banks from which they were to be withdrawn. To obtain their assent to this twofold measure, then, Mr. Crawford felt himself justified in giving them assurances of all the aid from Government necessary for its accomplishment; and particularly that in effecting the transfer of the deposits from their vaults to those of the Bank of the United States, there should be no advantage taken of them by any unnecessary pressure which should render the operation injurious to them. There can be no doubt that he was fully justified in giving them these assurances. To the liberality with which the Bank of the United States co-operated to the accomplishment of these purposes, the letter of Mr. Crawford, of 10th December, 1817, bears signal testimony. [Rep. p. 66.]

It is equally certain that indulgences were afterwards extended to several of the local banks, beyond what was warranted by law. They furnished the grounds of investigations and inquiries by both Houses of Congress, and at one time of direct charges made by Ninian Edwards against Mr. Crawford. The letters of that officer of the 25th of February, 1823, (p. 66.) to the Senate of the 24th of February, 1823, (p. 72,) to the chairman of a committee of the House of Representatives, and of 8th May, 1824, (p. 76,) to the chairman of the committee of the House, appointed to investigate the charges of Ninian Edwards, exhibit statements of several instances in which he had caused deposits to be transferred to the local banks for the purpose of *sustaining* them. In justification of the practice, he alleges frequent instances in which it had been resorted to during the interval between the first and second Banks of the United States, and he cites, as analogous cases, several instances of delays to the payment of custom-house bonds, during the existence of the first Bank of the United States. But so far as such proceedings ever had taken place as expedients to rescue banks from danger, the committee of the House of Representatives, upon the charges of Ninian Edwards, expressly declare that this is no legal employment of public funds: it is nothing but a gratuitous loan. (p. 83.) Such was the decision of a committee, the general tenor of whose report was highly favorable to Mr. Crawford. 'It may now be added, that it is precisely of such gratuitous loans that the million and a half of unavailable funds in your Treasury are composed. None such had ever been made since that report, until the present Secretary *f he Treasury revived the practice; and it is not one of the least astonishing incidents of our present times, that a Committee of Ways and Means of this House have adduced, in support of the legality of Mr. Taney's transfers to sustain his selected banks, that very report of Governor Floyd which declares all such gratuitous loans illegal.

Mr. Speaker, I have now gone through the whole series of documents annexed to the report of the Committee of Ways and Means, as *precedents* to justify the present Secretary of the Treasury in the transfer of public moneys from their places of deposit, prescribed by law, to local banks, for the purpose of sustaining their credit.

I trust I have shown that not one of those documents will bear out the Secretary in the measure upon which we are now to decide: and that the only *precedents* having any analogy to his act, are, and have been, by this House, authoritatively pronounced *illegal*.

I pass over the extract from the letter of Samuel D. Ingham, of 5th October, 1829, reported by the committee, (p. 84.) It is a mere *brutum fulmen*; indicative quite as much of the temper, as of the intellect of its author. Even if it could countenance by example the vindictive rancor of the removal, it furnishes not a color of justification for the transfer draughts. It may, indeed, be considered as evidence how long this project of

threatening and of bullying the Bank to break it down into a political engine was fostered in the soul, before it was exchanged for constitutional scruples of conscience against the Bank itself.

Thus, then, Mr. Speaker, I have proved to the very rigor of mathematical demonstration, that the Committee of Ways and Means, to bolster up the lawless act of the Secretary of the Treasury, in transferring public moneys from their lawful places of deposit, to others, in one of which, at least, he had an interest of private profit to himself, have ransacked all the records of the Treasury from its first institution in 1775, to this day, in vain. From the whole mass of vouchers to authenticate the lawful disposal of the public moneys which that Department can furnish, the committee have gathered fifty pages of documents, which they would pass off as *precedents* for this flagrant violation of the laws, and not one of them will answer their purpose. One of them alone bears a partial resemblance to the act of the present Secretary, and that one the very document adduced by the committee themselves pronounces and proves to be unlawful.

By the 8th section of the act to establish the Treasury Department, it is provided, "that no person appointed to any office instituted by this act, shall, directly or indirectly, be concerned or interested in carrying on the business of trade or commerce, or be owner, in whole or in part, of any sea vessel, or purchase by himself, or another in trust for him, any public lands or other public property, or be concerned in the purchase or disposal of any public securities of any State, or of the United States, *or take or apply to his own use, any emolument or gain for negotiating or transacting any business in the said department other than what shall be allowed by law.*"

The office of Secretary of the Treasury is one of those instituted by that act. And it is a circumstance deserving of deep consideration, that this Department of the Treasury is the only one established at the organization of this Government, the officers of which are laid under this interdiction. The Secretaries of State, of War, and of the Navy, may be merchants, owners of ships, and dealers in public securities, without violation of the law. Even the clerks in the Treasury Department, to whom, by an act of the 3d of March, 1791, this same prohibition had been extended, were afterwards, by the 12th section of an act of 8th May, 1792, released from it, excepting "so far as respects the funds or debts of the United States, or of any State, or in any kind of public property." To that extent every clerk in the Department of the Treasury is to this day restrained from being concerned in trade, commerce, or brokerage. The restraint upon the Secretary himself, the head of the department, remains in force to this day. I believe both the spirit and the letter of this law to have been violated by the present Secretary of the Treasury, when he transferred the public funds from the Bank of the United States to the Union Bank of Baltimore, he himself being a stockholder therein. And so thorough is my conviction of this principle, and so corrupting and pernicious do I deem the example which he has thereby set for future Committees of Ways and Means to cite as *precedents*, for yet ranker rottenness, that if there were a prospect of his remaining in office longer than till the close of the present session of the Senate, I should deem it an indispensable, albeit a painful duty of my station, to take the sense of this house upon the question. And, sir, if after this explicit declaration by me, the Chairman of the Committee of Ways and Means has not yet slaked his thirst for *precedents*, he may gratify it by offering a fifth resolution in addition to the four reported by the committee, as thus

"*Resolved*, That the thanks of this House be given to Roger B. Taney, Secretary of the Treasury, for his pure and **DISINTERESTED** patriotism in transferring the use of the public funds from the Bank of the United States, where they were profitable to the people, to the Union Bank of Baltimore, where they were profitable to himself."

The reasons of the Secretary of the Treasury, then, for abstracting the public moneys from the places where they had been deposited by law, are not sufficient to justify the measure, because the measure itself transcended his lawful authority.

And the purpose itself for which these arbitrary and lawless transfers were made was utterly unwarrantable. It exhibits a Secretary of the Treasury *tampering* with the public monies to sustain the staggering credit of his selected depositories. The transfers were made to supply those worthless favorites with the means of meeting engagements which they could not have met with their own resources. The very measure itself stamps with insolvency the depositories so judiciously chosen as substitutes for the Bank of the United States. The Secretary of the Treasury withdraws the public treasure from its place of safe keeping provided by law, scatters it abroad, distributes it among

swarms of rapacious political partisans, and the first earnest of its safety is their resort to *him* for millions of appropriated public moneys to pay *their* debts and save them from breaking.

But although the 16th section of the Bank charter did not authorize the Secretary of the Treasury to remove from the Bank of the United States and its branches the public moneys already committed to their custody, it did authorize him to direct and order that they should cease to be so deposited for the future, and required of him to assign as soon as possible to Congress his reasons therefor.

Are the reasons which he has so assigned sufficient to justify that part of the transaction which was within his lawful competency—the order and direction that the Bank of the United States should cease to be the depository of the public revenues? I think not.

It is very remarkable that the reasons are of two kinds; if not altogether incompatible with each other, yet so totally different in their characters, that either of them, if of any consideration whatever, would render the other unnecessary and useless. The first is the mere approximation of the time when the charter of the Bank is to expire. The second is gross and corrupt misconduct in the President and a part of the directors of the Bank. Now, if the approach of the time when the charter of the Bank was to expire, furnished any reason whatever for seeking other depositories of the public moneys, it would have been an office as useless and unnecessary, as it is odious and discreditable, to accuse men of fair and honorable characters, of dishonesty and corruption, as a pretext for depriving them of their rights. If, on the other hand, the Secretary of the Treasury could have proved upon the President and Directors of the Bank, that misconduct which he is so ready to impute to them, he would have been under no necessity to assign the other reason, the approach of the termination of the charter. The very assignment of these two classes of reasons, proves the total want of confidence of him who assigns them in the validity of either. Each of them is substantially the refutation of the other.

Sir, that the first reason of the Secretary—the approximation of the time when the charter of the Bank will expire—is not sufficient to justify the change of the depository, has been proved by the gentleman from Pennsylvania, who first addressed the House on this subject, with such force of demonstration, that not an attempt even has been made to reply to him. No rational reply *can* be made to it. “I will not gild refined gold.” There is only one consideration upon which I shall permit myself to add one word to his argument on this head. It is a consideration of *public faith*—it is the *word of honor of the nation*. Mr. Speaker, I address myself to every individual member of this House. I say to him, is not your word of honor dearer to you than your life? and are you not here the guardian of the word of honor of your country? Is the word of honor of your country less dear to you than your own? I speak to silent voices, but I know that the heart of every man who hears me, answers—no. Then, I say, that the *public faith*, the word of honor of the nation, is pledged to the corporation, the president, directors, and *company* of the Bank of the United States; that, unless for good and sufficient reasons it should be otherwise ordered, the deposits of the public moneys shall be made in the Bank and its branches *during the continuance of the act of incorporation*. To withdraw the deposits, therefore, before the expiration of the charter, merely because that term is drawing near, is a violation of the plighted public faith—a forfeiture of the word of honor of the nation. That reason is prohibited by the very letter of the charter. [Bank charter, sections 15, 16.] (12)

(12) Bank Charter.

SEC. 15. *And be it further enacted*, That, DURING THE CONTINUANCE OF THIS ACT, and whenever required by the Secretary of the Treasury, the said corporation shall give the necessary facilities for transferring the public funds from place to place, within the United States, or the Territories thereof, and for distributing the same in payment of the public creditors, without charging commissions, or claiming allowance, on account of difference of exchange; and shall also do and perform the several and respective duties of the Commissioners of Loans for the several States, or of any one or more of them wherever required by law.

SEC. 16. *And be it further enacted*, That the deposits of the money of the United States, in places in which the said Bank and branches thereof may be established, shall be made in said Bank or branches thereof, unless the Secretary of the Treasury shall at any time otherwise order and direct; in which case the Secretary of the Treasury shall immediately lay before Congress, if in session, and if not, immediately after the commencement of the next session, the reasons of such order or direction.

Well, sir, here is a bilateral contract: each of these sections is a consideration for the other. The 15th section prescribes burdensome duties to be performed by the Bank, gratuitously, for the benefit of the nation; and the Bank stipulates to perform them *during the continuance of the act*.

The 16th section is the counter stipulation, pledging the faith of the nation that, unless for good and sufficient cause, the deposits of the public moneys shall be made in the Bank and its branches. Now, that good and sufficient cause cannot be the approach of the term when the charter will expire, because the stipulation of the Bank is to perform the services *during the continuance of the act*; and the 16th section is not only the counter stipulation of the nation, but it furnishes the only means by which the Bank can perform its own engagement in the 15th. The two sections are inseparably connected together, and must be of commensurate duration. So clear and obvious is this, that the Secretary of the Treasury, by removing the deposits, has forfeited the right of the nation to claim of the Bank the fulfilment of its own stipulations in the 15th section. By the very act of removing the deposits, he makes it impossible for the Bank to give the necessary facilities for transferring the public funds from place to place, without charge, commission, or discount. The bank stipulates to perform this service *during the continuance of the act*. The Secretary of the Treasury takes from the Bank the necessary means for performing the service while the act continues, and two years and a half before its expiration.

Here, then, is a double violation of the public faith; first, by breaking the stipulation of the nation in the 16th section, beneficial to the bank; and secondly, by disabling the Bank from the performance of its engagements in the 15th section, beneficial to the nation.

Sir, this transfer of public funds from place to place throughout the whole Union, this security for the punctual payment of every public debt to every public creditor without charge of commission or discount for exchange, is one of the great purposes for which the Bank of the United States was instituted. It is one of the most admirable operations that the Government, over an extensive territory and a numerous population, active, intelligent, enterprising, eager for the betterment of its own condition, can perform. It is my belief, sir, that no other instrument than a bank, of large capital, of immense business, ably and honestly managed, and, *consequently*, of credit co-extensive with the country over which its operations are authorized, *can* effectually accomplish this great national purpose. The Bank of the United States was bound to perform it by stipulation and by law. The Bank of the United States has performed it faithfully from the time when it was instituted, till the Secretary of the Treasury interdicted the further performance of it by withdrawing from the Bank the means of performance. The Secretary of the Treasury has forbidden the Bank of the United States to make this constant, continual, gratuitous remittance of public moneys for the payment of public creditors, from place to place throughout the Union; and what has he substituted in its place? Why, sir, contracts—contracts which he was authorized by no law to make—contracts, which, by the 16th section of the act of May 1, 1820, (13) he was expressly forbidden to make—contracts with a motley multitude of state banks, bound by no law of the United States to perform this service—beyond the superintendence and control of Congress—dependent upon twenty different states for their charters—of small capitals, of limited circulation—seated in the midst of rival banks, and in which the United States have no interest other than the deposits confided to them—this is the substitute provided by the Secretary of the Treasury for annulling the law by which the Bank of the United States was bound to perform, and did perform, this immensely important service! Contracts with

(13) *An act in addition to the several acts for the establishment and regulation of the Treasury, War, and Navy Departments. (Approved 1st May, 1820.)*

SEC. 6. *And be it further enacted, That no contract shall hereafter be made by the Secretary of State, or of the Treasury, or of the Department of War, or of the Navy, except under a law authorizing the same, or under an appropriation adequate to its fulfilment; and excepting also, contracts for the subsistence and clothing of the army or navy, and contracts by the Quartermaster's Department, which may be made by the Secretaries of those Departments.*

State banks—not even as contracts, sanctioned by law! Sir, it is a bruised reed upon which, if a man lean, it will go into his hand and pierce it! Contracts! Why, suppose, one and all these bubble banks break their contracts—Suppose they suspend specie payments—where are your deposits? where are your gratuitous remittances? where is your remedy against all and every one of them? Where is your remedy? State courts, stop laws, and unavailable funds! Precious consolations for the disgrace of violated public faith! precious indemnity for the word of honor of the nation!

Mr. Speaker, let me not be misunderstood. I intend no special or personal reflection upon any one of these banks, nor upon any individual concerned in the direction of them. Some of them may be safe depositories for ordinary times; but from all the statements that have been published of their condition, I believe it to be eminently perilous. There is scarcely one of them that has less than seven dollars of its bills in circulation for one dollar of specie in its vaults. The Bank of the United States has less than two dollars in outstanding notes for one dollar of specie at command. And what confidence is due even to the statements made by these banks of their condition, may be inferred from facts of recent notoriety. We have witnessed the explosion of the Bank of Maryland. That bank it is known was one of those to which proposals were made by the Agent from the Treasury Department, that it should become one of the public depositories. The selection was to be made between that and the Union Bank. It has been stated in the official journal that the Secretary of the Treasury referred the choice between the two to the President of the United States, only remarking that he himself had an interest in the Union Bank, and that the Bank of Maryland had a smaller capital than the other. It is thence clearly to be inferred that he was sensible his interest in the Union Bank formed an objection to its being selected, and that he had nothing to set off against that objection but the smallness of the capital of the Bank of Maryland. Now what sort of a statement of its condition is it possible that the Bank of Maryland should have furnished to the Secretary of the Treasury, which left him undetermined whether to take that or the Union Bank for the public depository at Baltimore? so much so as to take the President of the United States for umpire between them. Bad as was the condition of the Bank of Maryland, its directors were quite ready and willing to contract for receiving the public deposits, and to furnish to the Secretary of the Treasury such a statement of their affairs as to satisfy him that they were safe depositories. And who knows how much more confidence was due to the statements by any of the other chosen banks, of their own condition, than to that of the Bank of Maryland? The breaking of banks is always fraudulent, and must always be preceded by reiterated false or fallacious statements of their condition. We have become so much familiarized with this bursting of bank boilers, that it has become in public estimation almost a virtue—a mere ingenious contrivance to make a fortune. There are no doubt many sound and solvent State banks with honest, honorable and conscientious boards of directors. But any bank to which the aid of the public deposits is necessary for its safety, cannot be fit for a public depository. Upon the real condition of all the State banks in the State of New York, the recent act of the Legislature, taxing the people of the State with a loan of six millions of dollars to save them from breaking, is a commentary of very unequivocal significance. The people of New York, to the amount of six millions of dollars, are now made the collateral security for the debts of their banks. But this is a mere substitute for a new bank with a capital of six millions; and what *must* be its effect? an increase of liabilities in proportion to the capitals of all the banks; an increase of paper currency; a mere repetition, in varied form, of the experiment made between the extinction of the first Bank of the United States and the institution of the second. There is, indeed, some indication in this message of a design in the Government of New York to supply a currency to take the place of the United States Bank notes throughout the Union. If so, the device is not destitute of ingenuity. But it must expect, in the course of its execution, to encounter rivals; and the people and the Legislature of Pennsylvania will, in the process of time, be likely to discover that there are more things in Heaven and earth than have been dreamt of in *their* philosophy.

The first reason, then, assigned by the Secretary of the Treasury for the withdrawal of the deposited public funds from the Bank of the United States, is good for nothing. Are the reasons founded upon the alleged misconduct of the Bank any better?

Sir, there is one ingredient in them, an exceedingly odious one, from which that is at least exempt. The near approach of the time when the Bank charter will expire involves no dishonorable imputation upon any man. But when dishonest and corrupt conduct is charged upon the *Bank* of the United States, the reproach nominally cast upon the Bank really falls upon living men—and upon whom does it fall? Upon the president and stock directors of the Bank? And who are the president and stock directors of the Bank? The president is a citizen of Philadelphia, whom any man in this hall may be justly proud to call his friend—a man of eminent ability, of a highly cultivated mind, of an equable and placid temper, and in every other relation of life of integrity irreproachable and unrepached—a man, too, independent in his circumstances, and to whom the loss of his office could scarcely be felt as a misfortune. That office he holds by the choice, annually renewed, of the stockholders. From the time when he was first chosen president, for a succession of ten years, until and including the year 1832, he had been nominated by the President and confirmed by the Senate of the United States as one of the Government directors of the Bank. And even now, after all these charges and denunciations against him, he has twice received the honorable testimonial of his fellow citizens, by being unanimously elected president of the trustees of the Girard College. The directors are chiefly merchants, with one or two eminent lawyers, of Philadelphia; men of good estate and good name; interested as stockholders, in the Bank; serving gratuitously, and never eligible more than three years in succession. Sir, that such persons should be charged with dishonesty and corruption by bankrupts and swindlers, by men of scarified characters and dogs-cared reputations, or by politicians who, like the wind of a West India hurricane, can chop round from north to south and from east to west in the twinkling of an eye, and blow with equal fury either way, is not at all surprising; but men of honest fame, and such I should be willing to believe the Secretary of the Treasury to be, should not slander one another.

Mr Speaker, there is another idea which, in connexion with this subject, I wish to present to the consideration of the House. In the conjectural imputation of base and corrupt conduct to men having a stake of reputation in social intercourse, there should be some proportion between the heinousness of the offence imputed and the magnitude of the object to be attained by its commission. In the melancholy records of human infirmity, I know it is not unexampled to find very great crimes committed for very small purposes. But these are exceptions and not rules. Such is not the course of things in the *ordinary* moral economy of the world's affairs. What is the recharter of the Bank of the United States to the president and to the board of present directors? It is of very little if of *any* importance to their individual interest. But as they hold their offices in *trust*, for the benefit of the *company*, their duty to their constituents requires that they should, in a suitable manner and by lawful means, obtain a new charter if they can—their own interest in the event is nothing or next to nothing. It is also their right as citizens, and their duty to their constituents, to defend themselves against charges of misconduct and corruption. And if those charges are made from the high places of the land; if they are made for electioneering purposes; if they are made not before judicial tribunals where their honest fame would be sheltered by the protection of the laws, and vindicated by the verdict of their peers; if they are circulated by multitudes of presses, paid with the money of the people; if they are held forth in Presidential messages, and vetoes, and proclamations, and cabinet consultations, published in newspapers, and derided to the legislative assemblies of the Union; if, in short, the rancorous and incessant denunciations against them go forth directly to the people from the first magistrate of the Union, is it necessary? is it rational? is it consistent with common justice or common sense to charge them with corruption or dishonesty for defending themselves before that tribunal of public opinion, to which the appeal is made against them? Sir, in tracing, by mere conjectural sagacity, human actions to their motives, when you meet honesty at the threshold, it is a poor occupation to ransack dark corners and deep recesses to detect corruption.

But, Sir, the Secretary of the Treasury distrusting the validity of his *reason* for removing the public deposits, drawn from the approach of the term when the Bank charter will expire, charges the President and Stock Directors of the Bank with misconduct—with corruption?

Sir, with regard to any allegation of corruption on the part of the Bank by which, in

the opinion of the Secretary of the Treasury, the corporation have forfeited the right of holding the deposits, I believe it not within the competency, either of the Secretary of the Treasury, or of this House, to come to that conclusion. The corporation is a moral person, entitled to the rights of persons and amenable not to the Secretary of the Treasury nor to this House, but to the judicial tribunals, for the performance of its duties. If the corporation have done wrong to the Executive Government, the Attorney General is the officer to prosecute them before the courts instituted under the constitution to sit in judgment upon them. They are entitled to trial by a jury of their peers.

The President of the United States has announced to Congress his opinion that the Bank had forfeited the charter, and that he would have directed a *scire facias* to be sued out to prove this charge, but that there would not have been time for the Supreme Court to bring the trial to an issue, before the expiration of the charter of the Bank. I remark with reluctance upon this statement of the President; but to say that it is not a sufficient reason for withholding the public deposits from the Bank. The President and the Secretary of the Treasury by these declarations constitute themselves the accusers of the Bank. Shall they sit in judgment upon those whom they accuse? Shall they be the executioners of those upon whom they sit in judgment? The removal of the deposits from the Bank, for the misconduct of the Bank, necessarily imports all this. The Secretary of the Treasury, under the direction of the President, constitutes himself at once the accuser, the judge, jury, and executioner of the Bank. He draws up the charge, he pronounces sentence of guilt, he adjudges the forfeiture of the right, and he executes the judgment. All this he does by the removal of the deposits; all this he does, without hearing the parties accused, without even giving them notice of the charges against them. Sir, in the fictions of the Heathen mythology, Rhadamanthus himself, the most inexorable of the judges of the infernal regions, *heard* the culprits at his bar, *after* chastising them—" *Castigatque auditque.*" He chastises and he hears. Our Secretary of the Treasury improves upon the code of Rhadamanthus. He accuses, he judges, he chastises, but *never* gives the culprit a hearing, either before or after his sentence.

Now sir, I say this to show the insufficiency of *this* reason for withholding from the Bank the deposits of the public funds; the alleged, not the proved misconduct of the Bank.

And this misconduct—what is it? As a moral person, the Bank enjoys the rights of persons; and among them the right to sue and be sued, to plead and be impleaded, to answer and be answered, to defend and be defended, in all State courts having competent jurisdiction, and in all the circuit courts of the United States. The fifth article emendatory of the Constitution of the United States has expressly provided that no person shall be deprived of life, liberty, or property, without due process of law. The Secretary of the Treasury has no authority to constitute a code of criminal law or to hold the Bank responsible for offences not recognised as such by law. He has no authority to make that an offence which is not prohibited by law. Of all his charges against the Bank, the only one that I can see which imputes a transgression of the law, is that which alleges that the President and Directors have authorised a committee of their own body, called the Exchange Committee, *to transact business*, for which, by the charter, the presence of not less than seven directors is required. Now, this charge arises from a misapprehension by the Secretary of the Treasury of the import of the words *to transact business*. This has been so fully explained by the learned and eloquent member from Pennsylvania, that I deem it unnecessary to say a word further upon the subject. To the weight of *his* character, were it possible for any testimony of mine to make addition, nothing but his presence could interdict me from giving it. At the head of his profession, which is the law, in the State to which he belongs, to that profession he has until even now, that we first see him among us, devoted the labors of more than thirty years; conversant especially with the department of commercial law, and intimately familiar with the principles and practice of banking, as a director both of the old and of the present Bank of the United States, his voice must carry with it, on all these questions an authority which it becomes *me* peculiarly to respect. He did, sir, in his speech, so unanswerably refute this allegation of the Secretary of the Treasury that the transaction of business by the Exchange Committee was a violation of the words of the charter, that it would be wasting the time of the House to multiply words in repeating what he has said.

But, sir, in assigning his *reasons* for punishing the Bank by the removal of the public

deposits, the Secretary of the Treasury has not only performed in his own person the parts of accuser, judge, jury, and executioner, but to facilitate the performance of all these functions, he has constituted himself *ex post facto* the legislator of a new criminal code, and promulgated new penal statutes by which these heinous offenders are to be tried and condemned.

And what are these heinous crimes of the Bank for which its stockholders, including the whole people of the Union, have by the judgment of the self-constituted legislator forfeited their rights and their property? They are,

1. That the ruling principle of the Bank is *its own interests*.
2. That the Bank has used its means with a view to obtain political power, and thereby secure the renewal of its charter.

To the first charge, it is added that the just claims of the public are treated by the Bank with but little regard when they have come into collision with the interests of the corporation.

Mr. Speaker, in one of Shakspeare's plays, there are two personages of the department of the kitchen, named Launce and Speed; one of them, Launce, takes a fancy to be married, and falls in love with a milk maid, who he says has more qualities than a water spaniel. He communicates to his friend Speed a written cat-log of her conditions, that is, of her virtues and her vices. In reading it over, Speed finds in the enumeration of her vices, that she is *slow in words*; upon which, Launce exclaims, O villian! set that down among her vices? To be slow in words is a woman's only *virtue*—out with it, and place it as her chief virtue. Sir, when I hear it charged upon the Bank of the United States, that is, upon the President and Stock Directors of that Bank, that the interests of the corporation are their ruling principle, and hear it charged as a *vice* of the Bank, I cannot help thinking like Launce, that it should be transferred to the other side of the account, and set down among the Bank's chief virtues. Why, sir, for what are the President and Directors of the Bank appointed but to protect, to defend, and to promote the interests of the corporation? and what are the interests of the corporation, but the interests of our constituents, the people of the United States, who, as owners of one-fifth part of the stock constitute themselves one-fifth part of the corporation. Sir, in *complaining*, that the interests of the corporation are the ruling principle of the President and Directors of the Bank, the Secretary of the Treasury has given the most signal testimonial to their fidelity to their trust. Their ruling principle ought to be, as I most sincerely believe it is, the interests of the corporation. Sir, that ruling principle *cannot* make them regardless of the just claims of the public; it cannot come in collision with the just claims of the public; the just claims of the public are identical and the same with the interests of the corporation. There is in this charge of the Secretary of the Treasury against the Bank, inconsistency and self contradiction. It is precisely the same as if he had said, so exclusive is the regard of the President and Directors of the Bank to the public interest, that they pay no regard to it at all. And, sir, this inconsistency and self contradiction run through the whole argument, and discolor every fact adduced by the Secretary in support of his charge. Take, for example, the case of the three per cent. stocks, and the bill of exchange upon France, which are urged by the Secretary as the great proofs of the injustice of the Bank, in endeavoring to advance its own interests at the expense of the interests and just rights of the people of the United States.

What was the case of the three per cents? The Bank was required to pay off, say twelve millions of the public debt, which bore an interest of three per cent. a year, to pay it off at two given days, in the year 1832; the Bank paid it off accordingly. Part of this debt, however, was due in Europe, say five millions. The Bank negotiated an arrangement by which the European holders of the debt consented to wait a year longer before they should receive payment of their portion, they taking the Bank for their debtor instead of the nation, and receiving three per cent. for the year's interest. This was equivalent for the time to so much addition to the capital of the Bank. It enabled the Bank to accommodate borrowers here to double the amount, for the year, and to receive therefor an interest of six per cent. The profit to the Bank was the difference between three per cent., which she paid on say five millions, and six per cent. interest, which she received on double the amount which it enabled her during the same time to loan. But suppose it enabled the Bank to loan only to the same amount. She paid one hundred and fifty thousand dollars for the use of the money, and received three hundred thousand dollars by the employment of it. Suppose, however, that it enabled her only to keep at discount a sum equal to that which she borrowed. Her profit upon the trans-

action was one hundred and fifty thousand dollars, one-fifth of which, say thirty thousand dollars, she paid in dividends to the people of the United States. Undoubtedly, the ruling principle of this transaction was the interest of the corporation; but where can you find in it the slightest, the remotest injury to the interests or the just rights of the people of the United States? It brought thirty thousand dollars into their treasury; it furnished capital for profitable employment to thousands of our citizens, and I am unable to perceive any interest or any right of the public which could be impaired or injured by it to the value of a dollar.

The case of the protested bill of exchange upon the French Government is equally justifiable. If the Secretary of the Treasury had the right to draw this bill, there can be no question that the French Government is responsible for the damages universally claimable on the protest. The protest itself vested in the United States the right to the damages, and in the Bank, the right to claim them, as clear and indisputable, as the right to repayment of the bill itself. These damages were equally recoverable by the laws of the land; and they were the property of the corporation. Had the President and Directors remitted them, they would have committed a breach of trust to the stockholders utterly indefensible. The loss to the public in this transaction lies at the door either of the French Government, or of the drawer of the bill. The pretension, that the Bank were bound, in this case, to remit the damages upon the protest, is, in substance, a claim to exemption, from the laws of the land by the Secretary of the Treasury, in matters of exchange. The admission of it would have established a precedent liable to the most dangerous abuse. It was nothing less than a pretension that the Secretary of the Treasury, should be released from all responsibility for damages upon bills drawn by him on foreign Governments, and protested.

But what shall be said of the heinous sin of the Bank in using its means with a view to obtain political power? The evidence alleged by the Secretary of the Treasury, as substantiating this enormity, is the disclosure by the lynx-eyed penetration of certain patriotic detectors of the politics of their colleagues, appointed, it seems, for that purpose, by the President, with the unwary confirmation of the Senate. They are called Government Directors, and they seem to consider themselves as *ex officio*, viceroys, and spies, over the rest of the board. The exceeding sagacity of these eager searchers into mysteries has brought to light the astonishing fact, that their brethren in the direction of the Bank have, by recorded resolutions of the board, put the whole thirty-five millions of dollars of the capital of the stockholders, including the seven millions belonging to the people of the United States, the whole mass of the profits on business accumulating for distribution in dividends and a reserved fund, and the whole credit of the Bank, which can scarcely be estimated at less than one hundred millions of dollars, at the disposal of the President of the Bank, to print and circulate pamphlets, in defence of the Bank, against slanderous and hostile denunciations, or in the construction of the Secretary of the Treasury, *to obtain political power*. Of this sum, perhaps one hundred and fifty millions of dollars, it appears that in the space of four years, an amount not much short of sixty thousand dollars has actually been expended in printing and extensively circulating a treatise upon banking and currency by Mr. Gallatin, three or four reports of committees of Congress, and two or three speeches in refutation of charges against the Bank.

This charge, Mr. Speaker, is two-fold. First, of the power given to the President to dispose of the whole property of the Bank. And, secondly, of the expenditure by him under that power of a sum approaching to sixty thousand dollars. The *substance* of the charge is of wasteful and corrupt profusion of the property of the stockholders; and the argument, by blending together the two parts of the accusation, labors to swell the account of actual expenditure up to the whole extent of the power delegated to the President; so that the Secretary of the Treasury has worked himself up into a belief, and his argument would persuade us, that the whole capital, profits, and credit of the Bank had been actually wasted, or was in most imminent danger of being squandered in printing and circulating pamphlets to obtain political power.

And now, Sir, what becomes of that other grievous accusation, that the *interests of the corporation* are the ruling principle of the President and Directors of the Bank? Which of the two impeachments are we to believe? Is the Bank a Shylock, with his knife in hand, ready to cut the pound of flesh nearest to the heart of his unfortunate debtor—or is he a Timon of Athens, to whom the *world* is but a word, which, were it his, a breath would give away? Sir, we have looked at the charge of extortion, and it has vanished

into air. Let us examine the charge of profusion, and see if it is more substantial. Look at it in both its parts. The resolution of the Directors is, that the President of the Bank be authorized to cause to be prepared and circulated such documents and papers as may communicate to the people information in regard to the nature and operations of the Bank.

Sir, can any one in serious argument say, that this resolution put the whole property of the Bank at the disposal of the President? Suppose it had been a resolution authorizing him to purchase a box of wafers, or a bunch of quills? According to this argument, such a resolution would have put a hundred and fifty millions of dollars of the Bank's property at the disposal of the President to buy a box of wafers, or a bunch of quills. The quintessence of this charge is, that the Board of Directors did not put this resolution in the form of a Congressional act of appropriation. Sir, the constitution of the United States provides that no moneys shall be drawn from the Treasury, but in consequence of appropriations made by law; and hence arises the necessity of limiting the amount of appropriations. But how often in our own practice do we authorize expenditures without limiting their amount? It was but the other day that we authorized the clerk of this House to purchase books for the use of our members. Did we put the whole Treasury of the United States at his disposal for that purpose? Sir, to authorize an expenditure, and to make an appropriation, are things totally distinct from each other, although nothing is more common than to confound them together. The resolution of the Bank Directors authorizes an expenditure without making an appropriation. But the Secretary of the Treasury must be at the last gasp for an argument, to say that thereby they put the whole property of the Bank at the disposal of the President for that purpose. As the Legislature of the nation, Congress can authorize no expenditure without making an appropriation. But no such principle is applicable to the expenditures of individuals, whether single persons or corporations. A member of the other House once told the Senate that, in the arrangement of his domestic establishment, his wife was the Committee of Ways and he was the Committee of Means; but who ever heard of a man's limiting his expenses of marketing for the family, or his wife's disbursements for a bonnet, a necklace, or a shawl, by an act of appropriation? The authority, therefore, to print and circulate pamphlets, was precisely equivalent to an authority to procure stationery, and carried its limitation with itself. It was left discretionary, precisely because it was limited in its own nature. But the Secretary of the Treasury tells us that "the sum *actually charged* to the expenses under this resolution is sufficiently startling"—startling? is it indeed?

The sum actually charged in these expenditures in four years, amounts to 58,265 05, in round numbers take it to be sixty thousand dollars. The Bank alleges that all this expenditure was incurred in defending the institution against the assaults which it was enduring from the Administration and its partisans. The President of the United States and the Secretary of the Treasury consider it all as electioneering against the re-election of President Jackson. Now, if the printing and circulating of an essay of Mr. Galatin upon banking, and of half a dozen reports and speeches made to the two Houses of Congress upon the subject of the Bank itself and its operations, was electioneering *against* the re-election of the President, what was the electioneering for him? The President and the Secretary of the Treasury both consider the re-election of Andrew Jackson as precisely equivalent to a judgment of the people of the United States *against* the Bank. What is this but to declare that every thing said and done by the President during the first term of his administration *against* the Bank, was electioneering for himself. All his appeals to the judgment, to the prejudices, to the passions of the people *against* the Bank, were all operations to secure his re-election. This is ground, sir, not of my selection, it is that upon which the President of the United States and the Secretary of the Treasury themselves have chosen to put their charges against the Bank; and whatever I may say in following the deductions which irresistibly flow from this statement of the case, must be taken as the necessary inferences from premises exclusively their own.

Thus, when in the summer of 1829, the friends of General Jackson in New Hampshire undertook to dictate through the agency of the then Secretary of the Treasury, to the Bank, the removal of the President of the Branch Bank at Portsmouth, whose offences were his eminent talents, his inflexible integrity, and his friendship for Mr. Webster, and when the same "friends of General Jackson in New Hampshire," and among them sixty members of the Legislature, sterling Jacksonmen without alloy, sent a whole list of

Directors for the same Branch, to be forced upon the President and Directors of the Bank, for their appointment; when the then Secretary of the Treasury, with an acuteness of discrimination worthy of the keenest disciple of Ignatius Loyola, blended together so skilfully the lines of political purity and political prostitution, for the use of the Bank, it was all electioneering for the re-election of President Jackson.

When the Secretary of War, by unlawful orders, took away the payments of pensions in New Hampshire and New York from the Branch Banks, and gave them to the Banks belonging to the "friends of General Jackson," it was all electioneering for his re-election to the Presidency.

When, upon discovering that the Bank was not so tractable under this management as might be desired, the President of the United States, in his first annual message to Congress, denounced the Bank of the United States as unconstitutional, but recommended a Government Bank in its stead, this was in both its parts a mere electioneering proposition to secure his own re-election.

When in the subsequent annual messages to Congress of 1830, of 1831, and 1832, the denunciations of the Bank of the United States as unconstitutional were repeated; and when the substance of these denunciations was communicated by anticipation, for the benefit of certain brokers in Wall street, "friends of General Jackson," before the message was communicated to Congress; this was a mere electioneering expedient to secure his own re-election.

When in July, 1832, an act for re-chartering the Bank of the United States had passed both Houses of Congress, immediately after a full investigation of the affairs of the Bank by a committee of this House, the President put his negative upon that act, and told Congress that if they had applied to him, *he* would have given them a constitutional Bank; this veto was a mere electioneering expedient, and the veto message was a pamphlet to secure his own re-election.

Mr. Speaker, I repeat that these are not positions of my choosing, I say they follow irresistibly from the ground of controversy with the Bank taken by the President of the United States and the Secretary of the Treasury themselves. If the pamphlets, published and circulated by the Bank in their own defence, are to be considered as political weapons of electioneering *against* the re-election of the President, then the efforts of his administration to turn the Bank into a political engine to promote the purposes of his partisans, and upon failure of them, all his subsequent denunciations of the Bank, and acts of hostility to that institution, were acts of mere electioneering *for* himself. His hostility to the Bank was a mere courtship of popular favor, and his mode of filling the measure of his country's glory, was by using the unpopularity of the Bank as the engine to renew his lease of *the Government*, and to prolong his continuance in power. Sir, it is filling the measure of his country's glory with sparkling champagne; all the liquor overflows, and there is nothing left in the cup.

And now, Sir, let us follow the track of the Secretary of the Treasury, and inquire what has been the *cost* of this contested election to *the people of the United States*. The Secretary of the Treasury tells you that the sum of sixty thousand dollars, spent in the space of four years upon electioneering pamphlets *by the Bank*, is *sufficiently startling*. *Startling*, Mr. Speaker, is an emotion and not a calculation; the word is sensitive and not meditative; it indicates passion and not reflection. It is not the word or the thing best adapted to the operations of a financier. Calculation is always cool. Let us keep ourselves cool and compare accounts. The Bank in the course of four years have spent sixty thousand dollars in printing and paper, they say in self-defence; the President of the United States says, in electioneering *against him*, and for a recharter to themselves. This money was the property of the stockholders, and one-fifth part of it, twelve thousand dollars, belonged to the people of the United States. Sir, the people of the United States own seventy thousand shares of the stock of this Bank. When the President of the United States declared war against the institution, every one of those shares was worth one hundred and thirty dollars. What are they worth now? At the utmost, one hundred and five dollars a share. Compare the prices current of the two periods, and you will find that every share of bank stock owned by the people of the United States, has lost twenty-five dollars of its value to them by this electioneering of the President of the United States, against the Bank, and for himself. Twenty-five dollars a share, upon seventy thousand shares, is one million seven hundred and fifty thousand dollars—and this is the sum which the President of the United States has levied upon the people, by his electioneering against the Bank and for himself.

Thus, then, stand the comparative accounts. The banks have cost the people of the United States, in electioneering against the President, and for themselves, twelve thousand dollars. The President has cost the people in electioneering against the Bank, and for himself, one million seven hundred and fifty thousand dollars. And in this same contest of electioneering, while the banks have expended \$48,000 of the money of the other stockholders, the President of the United States has taxed them to the amount of seven millions of dollars. Eight millions seven hundred and fifty thousand dollars, is the sum levied by the President of the United States upon the stockholders of the Bank, for his electioneering; and the Secretary of the Treasury tells us that \$60,000 expended in the same contest by the Bank is sufficiently *startling*.

There is, indeed, this difference between the sixty thousand dollars money of the stockholders, expended in this contest by the Bank, and the eight millions seven hundred and fifty thousand dollars of the same money levied in the same contest by the President. With the sixty thousand dollars, industry was employed, and for them an equivalent was received. Information was circulated among the people upon subjects deeply affecting their own interests, and the materials were supplied for making up a correct public opinion. But the eight millions seven hundred and fifty thousand dollars tax levied upon the stockholders of the Bank, by the President of the United States, in electioneering for himself, are so much property destroyed. They are so much of the capital stock of the nation consumed as by fire; no information has been communicated by their destruction to the people; no industry has been employed; no equivalent for the loss received. Far otherwise. If these be a widow or an orphan whose dower or whose inheritance consisted of ten shares in the stock of the Bank, a tax of twenty-five dollars upon each and every one of those shares has been levied upon that widow or orphan, as contributions to his re-election. So much of their property has been taken away from them, not for the benefit of others, but to be destroyed. The capital stock of the Bank of the United States, on the 1st of January, 1832, was worth in the market at least forty-five millions of dollars, and every stockholder in that institution might have paid his debts or purchased lands, with his stock, at an advance of thirty per cent. To pay debts or to purchase lands at this day, the same stock may be applied at an advance of two, three, or at most, four per cent. The difference is the tax levied by the President of the United States for his re-election, and his warfare against the Bank. Not spent in printing and circulating pamphlets, and propitiating printers, but nullified, destroyed; sunk in depreciation, without benefit to any human being.

Thus, then, the reasons of the Secretary of the Treasury for removing the public deposits from the Bank of the United States and its branches, are insufficient. They are insufficient even for ordering and directing *otherwise* than that the deposits should be *made* there, which was the whole extent of his lawful authority. They are worse than insufficient for removing from them funds which had been already deposited there; for which he had no lawful authority, and which was usurpation.

Mr. Speaker, I believe these charges of dishonesty and corruption equally ungenerous and unjust. They are ungenerous, because they are made under the protection of official station, against private citizens, in a manner which deprives them of the means of defending themselves and vindicating their characters. They are unjust, because made, not in the candid, open and explicit forms which ought to mark all official denunciations against individuals, but in a manner consciously evasive and distrustful of itself, and because they are untrue.

I say they are made under the protection of official station against private citizens; for, sir, let it be remembered that the President and Stock Directors of the Bank of the United States are not officers of the Government. They are neither appointed, nor removable by the President of the United States. The United States hold seven millions of dollars of the stock. The President and Senate appoint five out of the twenty-five directors, and the charter contains sundry provisions for making the Bank the agent of the Government for the performance of certain duties and services. But the President and stock Directors are private citizens, entitled to the enjoyment of all the rights of other private citizens. The management of the affairs of the Bank is entrusted to them, together with the Government Directors, under the general law of corporations, of acting by majorities, and so long as they keep within the pale of action warranted by the laws of the land, a charge of dishonesty or corruption against them, uttered by the President of the United States, or the Secretary of the Treasury, is neither more nor less than slander, emitted under the protection of official station against private citizens.

This is both ungenerous and unjust. It is an abuse of the shelter of official station to circulate calumny with impunity.

Observe, too, that those charges, deeply as they affect the character of private individuals, are never made directly against them by name. No! it is *the Bank*, that is the monster—the moneyed aristocracy—the mammoth corporation—that is the sink of corruption, the purse-proud tyrant, corrupt itself, and practising corruption upon the whole people! And to what an odious extent have these charges been carried! Have you yourself, Mr. Speaker, been exempted from the general imputed contamination? Deeply as you may have been dipped in the Stygian waters of Jacksonism, are you yet not vulnerable at the heel? Has it not been given as a reason for removing the deposits only sixty days before the meeting of Congress, that, if the last Congress had been in session but one week longer, *the Bank* would have corrupted two-thirds of the members of both Houses, and purchased a recharter, beyond the reach of a veto? And were not we, ourselves, was not this present Congress held accessible to the same corruption, in advance? Was not this formally assigned as the reason for withdrawing the deposits without waiting for our meeting? And is not this *infamous* imputation authenticated beyond all daring of denial? *Infamous*, I say, to us, to the people who chose us as their Representatives, and to the President and stock Directors of the Bank, if true; *infamous*, if not true, in him who uttered it.

Now, sir, to set you, and all the members of both Houses of the last and of the present Congress aside, and, I say, strip the President and the Secretary of the Treasury of their official stations, and neither of them would dare to say to or of Nicholas Biddle, in the presence of credible witnesses, that he was a dishonest or corrupt man; and what I say of Nicholas Biddle, I say of Richard Willing, of Manual Eyre, of Matthew L. Bevan, of Ambrose White, of John Sargent, of James C. Fisher, of Joshua Lippincott, of Charles Chauncey, of Matthew Newkirk, of Lawrence Lewis, and of John Holmes. These were the Directors of the Bank who published their defence against the denunciation of the President's cabinet *rescript* of the 18th of September last. Now, I repeat, strip Andrew Jackson and Roger B. Taney of the little brief authority which invests them with the privilege of slandering their fellow-citizens with impunity, and neither of them would DARE to charge any one of those men whom I have named, either before their faces, or any where in the presence of credible, impartial witnesses, with dishonesty or corruption, either in general terms or by any one specification. Neither of them would dare go to the city of Philadelphia, and there, in any possible manner, avow a charge against any one of those men, which could make up an issue for a test of character by a verdict of their peers. It may, indeed, be a question, whether even a President of the United States, or a Secretary of the Treasury, does possess the right of pouring forth slanders upon private individuals, wholly without responsibility to the laws protective of character. It cannot be doubted, that *under color* of the discharge of official duty, it is in the power of these high dignitaries to blast the reputation of individuals by groundless imputations, for which the injured party would in vain seek reparation or indemnity, from the laws of his country. But, even this odious privilege has its limits. Neither a Secretary of the Treasury, nor a President of the United States, is wholly above the law. No one will deny that both these officers are, as individuals, liable to action or indictment for slanders, like others, and there seems to be a full consciousness of this, in the undeviating uniformity with which they point their official defamation at *the Bank*, instead of directing their charges, as fair and honorable adversaries ought to do, at the President and stock Directors of the Bank, the real objects of their accusations.

When the President of the United States said, that if the last Congress had continued in session one week longer, the Bank would, by corrupt means, have procured a recharter by majorities of two-thirds, in both Houses of Congress, to what portion of the members of both Houses did this honorable testimonial of his confidence specially apply? At the preceding session of the same Congress, a bill to re-charter the Bank had passed the Senate by a vote of 28 to 20. It had passed in the House by a vote of 107 to 85, and this was immediately after an investigation of the affairs of the Bank by a Committee of the House, who went to Philadelphia for that express purpose, and every member of that committee is also a member of this House. Of the 107 members of the House who voted for that re-charter, 50 are members of this House; of the 85 members who voted against it, 41 are members of the present House; and there is in this proportion, on both sides, a coincidence so remarkable, that I cannot help inviting to it the attention of the House. It has been assumed by the President of the United

States, and repeated by the Secretary of the Treasury, and by the Report of the Committee of Ways and Means, that the re-election of the President, after his Veto upon this very bill to re-charter the Bank, is of itself equivalent to a verdict of the *people* against the Bank. Mr. Speaker, I shall not inquire what sort of an estimate this position supposes the people to have formed of all the *other* measures of a four years' administration. It seems to me an admission, that in all the rest of his measures, the people saw and felt nothing, which could have secured to him his re-election, but that this crushing of the monster, was not only meretricious in itself, but sufficient to outweigh a mass of *demerit*, in the whole system of the administration besides, which would have forfeited the claim to that approbation of the people of which the result of the election was the test. Sir, if the President of the United States is willing that his reputation as a statesman at the head of this Union should go down upon the records of this age, to the admiration of after times, on the single and solitary foundation of his having destroyed the Bank of the United States, I can have no possible objection to his being gratified. He will suffer no injustice by having that measure applied to his foot as the standard, and then inferring from that the whole man. "*Ex pede Herculem*," all the rest will be perfectly congenial with it: and such I have no doubt will be the judgment of posterity. But, sir, if his re-election can, with any pretence of reason, be considered as an evidence of the sentence of condemnation by the people, *against* the Bank, then I say that the re-election of the members of the House, who voted for and against that bill to re-charter the Bank, is evidence far more conclusive and unequivocal of the sentiments of the people with regard to the Bank and the re-charter, than the Presidential election was or could be. Now, sir, every member of this House who voted for or against that bill to re-charter the Bank, has passed through that ordeal of re-election since he gave that vote; and it so happens, that the proportion of re-elected members of those who voted for and against the re-charter is precisely the same. One member of the House who voted for the re-charter, Philip Doddridge, of Virginia, we soon after followed, in mournful procession, to the grave; and sure I am, that there is not a Virginian heart who hears me, but will respond to me when I say that *his* vote was no feeble testimonial of the purity of purpose with which every vote was given on that occasion, which now stands recorded in association with his. Had he lived and consented to serve, there can be no doubt that he would still have been one of us. There would then have been 51 re-elected members of 107 members, who voted for the re-charter; there are 41 of 85 who voted against it; and as 41 is to 85, so is 51 to 107. Sir, the doctrine of chances, and all the other elements which are mingled up in the process of electioneering throughout this whole Union, has not produced a variation from the proportion, to the amount of a single man; and what is the inference that I draw from this curious and extraordinary arithmetical demonstration? Why, sir, that all the members on both sides of the question, those who voted for and those who voted against the re-charter, faithfully represented the sentiments of their respective constituents; and this result, so uniform, of the elections to this House throughout the whole Union, is of itself an honorable vindication of the integrity of its members, from the baseness imputed to them by the Chief Executive Magistrate.

This vindication, it must also be observed, is more necessary to that portion of the members of the House who voted against the recharter, and were the devoted friends of the President and of his administration, than to the rest. It was from the eighty-five members who voted *against* the recharter that the recruits of corruption must have been levied, to const tute, with the one hundred and seven who had already voted for the recharter, that majority of two-thirds which could have effected the recharter in defiance of the veto. Of the eighty-five names which stand thus recorded, twenty-one must have changed their votes from the negative to the affirmative before the recharter could have been accomplished by a majority of two-thirds; and this is what the President of the United States considered not only as practicable, but as certain to have been effected, by *corrupt* means, if the last session of Congress had continued one week longer. Mr. Speaker, I do not believe there was *one* member of the last Congress who voted against the rechartering of the Bank, who could have been induced to change his vote by corrupt means, had the President and Directors of the Bank been base enough to attempt the use of them. I believe this imputation to have been as unjust as it was dishonorable to both parties implicated in it. That it was cruelly ungenerous towards the friends

of the administration in this House is my deliberate opinion; and, as I am well assured there was not one of them justly obnoxious to the suspicion, so there is no one of them who can be considered exempted from it. And now, when we reflect that this defamatory and disgraceful suspicion, harbored or professed against his own friends, supporters, and adherents, was the real and efficient *cause*, (to call it a reason would be to shame the term,) but that it was the real *motive* for the removal of the deposits during the recess of Congress, and only two months before its meeting, what can we do but hide our heads for *shame*? Sir, one of the duties of the President of the United States—a duty as sacred as that to which he is bound by his official oath, is that of maintaining unsullied the honor of his country. But how could the President of the United States assert in the presence of any foreigner, a claim to honorable principle or moral virtue, as attributes belonging to his countrymen, when he is himself the first to cast the inelible stigma upon them. “*Vale, venalis civilis, mox peritura, si emptorem invenias,*” was the prophetic curse of Jugurtha upon Rome, in the days of her deep corruption. If the imputations of the President of the United States upon his own partisans and supporters were true, our country would already have found a purchaser.

Mr. Speaker, the *reason* thus assigned by the President of the United States to his Secretary of the Treasury, Mr. Duane, for removing the public moneys from the Bank of the United States *before* the meeting of Congress, is not among those which his Secretary of the Treasury, Mr. Taney, has assigned to Congress *after* their meeting. That it was the true and efficient *cause* of that removal is evident, not only from the positive testimony of Mr. Duane, in his third letter to the people of the United States, but from the utter futility of the reasons assigned by Mr. Taney. There is an evidence in facts themselves, and in the characters of men, which authenticates testimony, beyond the reach of denial. Mr. Duane states that after Mr. Reuben M. Whitney, on the very day when he, Mr. Duane, entered upon his duties as Secretary of the Treasury, had communicated to him the determination of the President to cause the public deposits to be removed before the meeting of Congress, the President himself, the second day after, confirmed the information, and said “that the matter under consideration was of vast consequence to the country; that, unless the Bank was broken down, it would break us down; that if the last Congress had remained a week longer in session, two-thirds would have been secured for the Bank by corrupt means, and that the like result might be apprehended the next Congress; that such a State bank agency must be put in operation before the meeting of Congress as would show that the United States Bank was not necessary; and thus some members would have no excuse for voting for it.”

“My suggestions (adds Mr. Duane) as to an inquiry by Congress, as in December, 1832, or a recourse to the Judiciary, the President repelled, saying it would be idle to rely upon either; referring, as to the Judiciary, to the decisions already made, and indications of what would be the effect of an appeal to them in future.”

These, then, were the effective *reasons* of the President for requiring the removal of the deposits *before* the meeting of Congress. The corruptibility of the Congress itself, and the foregone decisions of the Supreme Court of the United States—the legislative and judicial authorities were alike despised and degraded. The Executive *will* was substituted in the place of both. These reasons had already been urged, without success, upon one Secretary of the Treasury, Louis M. Lane; he had been promoted out of office and they were now pressed upon the judgment and pliability of another. He, too, was found refractory, and displaced. A third, more accommodating, was found in the person of Mr. Taney. To *him* the reasons of the President were all-sufficient, and he adopted them without reserve. They were all summed up in one—

“*Sic volo, sic jubeo, stet pro ratione voluntas.*”

It is to be regretted that the Secretary of the Treasury did not feel himself at liberty to assign this reason. In my humble opinion it ought to have stood in front of all the rest. There is an air of conscious shamefacedness in the suppression of that which was so glaringly notorious; and something of an appearance of trifling, if not of mockery, in presenting a long array of reasons, omitting that which was at the foundation of them all.

In the annual message of the President of the United States to Congress, at the commencement of their last session, a complete system of administration for the future government of this Union was set forth at full length, the single principle of which was

declared to be, to reduce the Government of the Union to a *simple machine*; and its ultimate object, to sacrifice all other interests to those of the *best part of the population*. The *simple machine* was the means; the exclusive benefit of the best part of the population was the end of this system of government. As illustrations of the great design, the message went much into detail upon four principal objects of national concernment; and the policy resulting from the whole system was, the determination to give away all the public lands to *the best part of the population*; to withdraw all protection from domestic industry; to renounce forever all undertaking of internal improvements; and to annihilate the Bank of the United States.

The destruction of the Bank is but one of the four elements of this stupendous system. This, we have been told repeatedly by quasi official authority, had been resolved before ever the President left Tennessee to come and assume the reins of Government here. The destruction of the Bank was necessary, both to the simplification of the machine, and to the accomplishment of the end. The Bank presented an obstacle to the absolute and unlimited control and disposal of the whole revenue of the country. So long as the public funds were deposited in the Bank of the United States and its branches, they could not be used for the purposes of political partisans, or for gambling in the public stocks. So long as the Bank could sustain the credit of the commercial community, it would be impossible to break all the traders upon borrowed capital; certainly not the best part of the population; probably, in the estimation of our Lycurgus the worst.

The reason, then, paramount to all others, for the removal by the Secretary of the Treasury of the public deposits from the Bank of the United States, was the *will* of the President of the United States. It was a part of his system for simplifying the machine of Government. It was a part of his system for breaking all traders upon borrowed capital. It was a part of his system of ultimately reverting to a hard money currency, and prostrating every other interest in the community before the holders of lands and the holders of slaves. The measure was admirably adapted to all those purposes. What possible contrivance could have been so well suited to simplify the machine? It placed the whole revenue of the Union at all times at his disposal, for any purpose to which he might be disposed to apply it. In vain had the constitution of the United States solemnly enjoined that not a dollar of public money should ever issue from the Treasury unless in consequence of public appropriations made by law. In vain had the laws cautiously stationed the register, the comptroller, the treasurer, as checks upon the Secretary of the Treasury; so that the most trifling sum in the treasury should never be accessible to any one, or even any two men. With a removal of the deposits and a transfer draft, millions upon millions may be transferred by the stroke of the pen of a supple and submissive Secretary of the Treasury, from place to place, at home or abroad, wherever any purpose, personal or political, may be thereby promoted. All the perplexing complications of constitutional principle, all the jealous bolts and bars upon the gates of the Treasury, all the vigilant sentinels stationed before them to guard them from intrusion, all vanish before this magic wand of the Secretary. At the "Open Sesame" of a transfer draft,

"On a sudden open fly,
With impetuous recoil and jarring sound,
The brazen doors, and on their hinges grate
Harsh thunder;"

surely nothing can be more simple!

To this same final object of simplifying the machine, two other maxims have been proclaimed as fundamental principles of the present administration. First, that the contest for place and power in this country is a state of war, and all the emoluments of office are the spoils of victory. The other, that it is the invariable practice of the President to reward his friends and punish his enemies.

The selection of any bank as a place of deposit, is at once a loan without interest, and a grant of public money. It is a grant of all the profit which the Bank makes by the use of the money. The Secretary of the Treasury might himself be a stockholder in every bank which he has selected as a public depository, as well as in one. What a simplification of the machine of Government! What a glorious opportunity to reward friends and punish enemies! What a distribution of the spoils of victory! Establish the precedent, and the next step will be, to make it a *condition* of selection that the Secretary of the Treasury shall be a stockholder in the Bank. It is very certain that none have

been, or will be, selected any where, but such as are devoted friends to General Jackson. The officers of all such banks, their Presidents, Cashiers, Directors, Stockholders, Debtors, and Creditors, are all linked together, by the depository tie, as friends and supporters of General Jackson, and if any one of them should flinch for a moment from his fealty, a transfer draft shall forthwith punish him as an enemy, just as a transfer draft rewarded him as a friend. What an admirable simplification of the machine of Government! What an unrivalled device for the benefit of the *best part of the population!*

Mr. Speaker, in the review of the reasons which have been assigned, as well as of that which has been suppressed, for this unlawful and unjust removal of the public deposits from the Bank of the United States and its branches to institutions unknown to your laws, and unchecked by your control, it has been my purpose to confine myself rigorously to the question before you. If any thing that I have said on this, or a former day, bearing specially upon the conduct or character of the present chief magistrate, as implicated in these transactions, should have been offensive to his friends and supporters here, I shall regret the circumstance, and pray the House to be assured that I have said nothing but under the dictates of a commanding duty. With regard to any personal relations which may have existed heretofore, or may now exist between him and me, I shall say nothing. They form a part of the history of the country, and to the judgment of posterity I cheerfully leave them. When, as a representative of the people, I entered upon this floor, it was with a firm determination to support his administration in every measure which my conscience could approve, and to rebuke him and his administration for every measure, if any such should occur, which I honestly believed derogatory to the honor, or pernicious to the interests of my country, during the time that I have been engaged in this service. I have supported his administration at more than one of its times of trial. I supported it in the tariff of 1832; I supported it in the revenue collection bill of the last session; supported it on both occasions against men whom I respect and esteem; supported it with an opposition and resistance to them from which I never would have receded. I hailed his proclamation as an exposition of constitutional principles in general, sound and creditable, though I could neither conceal to myself, nor disguise to others, its utter and irreconcilable inconsistency with the annual message sent to Congress but six days before. Of that annual message it became my duty to expose, by a full analysis, the radical, fundamental, and most pernicious errors; of which we are now barely beginning to taste the bitter fruits.

In his rancorous and unrelenting hostility to the respectable and worthy President and Directors of the Bank of the United States I have never shared. It has appeared to me a passionate ebullition of anger and revenge sophisticated into a self-conceit of unbending patriotism. I voted for the bill to recharter the Bank, and deeply lamented, as I still deeply lament, the veto which rejected it. To that measure I look as the primary cause of all the miseries we are now enduring, and of the deeper and deepening woes that await our futurity. It is that veto which has been snatching from the mouth of labor its daily bread, and calling down upon itself the curses of the widow and the heart-rending cries of the orphan. And what have we seen as its consequences already? A President of the United States *afraid* of assassination! A President of the United States barring his gates and bolting his doors against deputations of his suffering fellow citizens, and turning a deaf ear to their complaints! The removal of the public deposits is but a natural sequel to the veto of the recharter. It was not enough to put the victim to death unless its dying hour could be made to agonize with torture. For all this, in the deep affliction of my soul, I say the President of the United States is personally responsible to this people. For every word that I have here said, or may say of him, I hold myself responsible to him, to my constituents, and my country. But I can have no controversy with any one or more of his admirers in this House, and shall make no reply to their sallies of temper exercised upon me in retaliation for my animadversions in the discharge of my duty upon him. It would not become me to speak here, in the fear of him. They must not expect me to be silent for the fear of them. I believe them more honest than he believes them himself. If they are contented with that character which he gave of them to his confidential counsellor and Secretary, whom he dismissed for refusing to be the servile instrument of his will, I shall not disturb their self-satisfaction. In repelling with indignation, as a member of this and of the last Congress, his imputation of the rankest corruption upon the whole body of them both, I have not departed one hair's breadth from the subject of deliberation now before the

House. That imputed rank corruption he assigned to his confidential counsellor and Secretary, as his *reason* for insisting upon the removal of the public deposits *before* the meeting of the present Congress. It was like all the reasons assigned by the Secretary—*unlawful and unjust*.

In conclusion, Mr. Speaker, I am well aware that I cannot expect to find myself in the majority in this House upon any question relating to this subject; but I would fain indulge the hope that the majority will take this question directly, without retreating from it, without flinching before it. Are the reasons assigned by the Secretary of the Treasury for changing the depository of the public funds from places prescribed by law, to places selected at his will—are they, or are they not, sufficient to justify the measure? With perfect respect for the majority of this House, to whom I now address myself, I say, is it not your duty to your constituents (and I mean thereby the whole people of the Union) to answer that question? Ay or no. The corporation of the Bank of the United States, and of that body the United States themselves, as stockholders, form a part, have formally complained of this act of the Secretary as of a wrong done to them, and they have petitioned to you for redress. Permit me to say, it will be no sufficient answer to this complaint and petition for redress to tell them that the Bank shall not be rechartered. It will not be sufficient to say the Bank is unconstitutional. It will not be sufficient to call it a monster—a tyrant—a corrupt moneyed aristocracy—to aver that it has used its power to control the press—to influence elections, or to produce the present pressure. Still less will it be sufficient, after repeating from year to year to every pillar of this House, till the very echoes are ashamed to return the sound, that the Bank *has* committed all these crimes, to appoint a strolling committee to perambulate this whole Union, from Portland to New Orleans, and from Philadelphia to St. Louis, to *inquire* and report to this House *whether* the Bank has committed them or not! The question to be answered is, has your Secretary of the Treasury wronged the Bank, or has he not? Has he taken their property and converted it to the use of others?—including himself. If you shrink from answering this question, it will be an argument of strong prevailment to those who shall occupy these seats hereafter, that you dared not meet it. The complaint of wrong and the petition for redress will survive you. "The evil that men do lives after them." The Bank of the United States will die—but its ghost will haunt this hall, though justice should be denied by Congress after Congress—perhaps from age to age; and your evasion of the question will be a standing re-commerdation of the claim till importunity shall extort from your successors the reparation sought in vain from you.

Nor is this the only duty incumbent upon you—upon you—upon the majority of this House. The fate of the people and of their prosperity is in your hands. The *experiment* undertaken by the Chief Executive Magistrate is in its nature an assumption by him of legislative power. But it cannot be consummated without your assent and co-operation. Most of you have been elected as members of this House under *pledges* to support his administration. How many of you were aware that, in redemption of this pledge, you would be called to surrender to him your own peculiar and appropriate functions of legislation—to *pervert* the forms and *invert* the substance of that division of powers without which we have been taught from our childhood that freedom is but the shadow of a shade. Your constitution has committed its legislative powers to Congress, and the executive power to the President of the United States. But now the President has constituted himself the legislator, and calls upon you to execute his ordinances and decrees; and you in this House are about to respond to his call because you are pledged to support his administration. Representatives of the people of the North American Union, is it for this that you were elected the trustees of *their* interests? the guardians of *their* rights? Is there no way but by laying *them* at the feet of Andrew Jackson that you can support his administration? Nearly two centuries since, in the same unblest year which restored the Stuarts to the throne of England, the representatives of the people of Denmark formally surrendered into the hands of their king the whole power of the nation; and since that time the government of Denmark has been a marvellously simple machine. Is that, in the annals of nations, the example which, of all others, you would be ambitious of imitating? Mr. Speaker, in the gloomy hours of anticipation which the actual condition of our country has for the last four months forced upon me, I have sometimes cheered for a moment my thick coming fancies by imagining what, in the present crisis of our history, the representatives of the people of this Union might

be—and what they ought to be. I have pictured to myself a House of Representatives, in the short period of a two years' existence, erecting to itself a monument of imperishable renown—establishing for itself a reputation in after times of faithful co-operation with the other departments of the Government in promoting the welfare and protecting the interests of the people, their constituents, and at the same time of inflexible tenacity and unyielding adherence to the principles of the constitution, and the theory of human liberty handed down to them from their fathers to be transmitted to their children. I have asked myself what that small but steadfast band of statesmen and of heroes, whose forms salute us as we daily pass through yonder rotunda to and from this hall, in the very act of signing the Declaration of Independence—I have asked myself what would be *their* charge to us their children, and descendants could they speak from the canvass as we pass them by—would *they* tell us that the summit of human glory is to be sealed by demolishing a Bank? That the benisons of mankind are to be bought by the closure of a broker's shop? That half a dozen worthy and respectable traders of Philadelphia are tyrannizing over the nation in the guise of bank directors, and that unless we take from them the power of loaning money, and calling at the appointed time for its repayment, they will trample our laws, our constitutions and our liberties, under their feet? Sir, could the patriots of 1776 come down from the side of the wall, enter in solemn procession within these doors, take seats in front of your chair, and witness our deliberations, with what amazement would they learn the propositions submitted to us, and listen to the resolutions prepared for our adoption? Startled, as they well might be, at the shrieks and groans of agonizing freedom which they would hear reverberating within and around this Capitol, would they not inquire, what Attila—what Alaric—what Gengis Khan, had poured his hordes of Goths, of Vandals, or of Tartars, over our fertile fields, our peaceful plantations, and our late flourishing farms? What scourge of God had desolated our cities? What convulsion of nature had palsied the arm of industry? had furlled the sails of commerce to mildew at your wharves? had silenced the mill-clap, the shuttle and the loom? had banished the merchant from the exchange? had severed the ploughman from his plough? the mechanic from his implements of toil? and the daily laborer from his daily bread? Would they not inquire what is of all this the cause? And how would they blush, or weep, to hear one-half of this House respond to their inquiry, the Bank! and the other half, the removal of the deposits! Sir, the pressure of the removal of the deposits is nearly past; it has ruined its thousands, and afflicted its millions; but the simoom has blown over, and they who prostrated themselves on their faces before the blast, survive unhurt, and may rise, and yet find their way out of the desert.

The pressure from the removal of the deposits is passing away. The prosperity of a great nation cannot long suffer from so trifling an incident as that. But the wrong is done, and its consequences will remain festering and inflaming the body of the community until that wrong shall be repaired. Your President has usurped legislative power; he has laid his hands upon your treasure, and he is now converting it to his own purposes. He has seized it, and now wields it as a weapon of power to himself, and an instrument of plunder to his partisans. Yet his *experiment* has but just commenced; its object is not merely to destroy, but to break the Bank. His chosen State banks are to be *his* depositaries and engines, to restore a metallic currency. With what intuitive sagacity are the means adapted to the end! Sir, his State banks would land the nation, they are already hurling it into universal bankruptcy. His hand must be stayed, or the nation is undone! Mr. Speaker, thanks to the guardian Angel of our Union, there is, even now, there is, a power that stays his hand. His seizure of the public treasure will receive no sanction of law. His usurpation of Legislative power will remain a warning, and not an example to his successors. Sir, is it to the Representatives of *the people*, or to the Representatives of *the States*, that future ages will look back for the fortitude that withstands usurpation, and for the energy that redeems the violated form of freedom? Shall the verdict of the next century pronounce that we have vindicated the rights of the people? that *we* have been true to our appropriate *trust*? that *we* have shaken off the shackles of party spirit? that *we* have burst the bonds of idolized mortality? or shall that crown of glory be reserved for our fellow servants in the northern wing of this Capitol? Mr. Speaker, there stands the Muse of History prepared to record our votes—may they be such as we shall remember with consolation at the last hour of our lives!







